

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

FEDERAL TRADE COMMISSION, and

STATE OF MINNESOTA, by its Attorney
General, Lori Swanson,

Plaintiffs,

v.

SELLERS PLAYBOOK, INC., a
corporation,

EXPOSURE MARKETING COMPANY,
a corporation, also d/b/a Sellers Online and
Sellers Systems,

JESSIE CONNERS TIEVA, individually
and as an officer of SELLERS
PLAYBOOK, INC. and EXPOSURE
MARKETING COMPANY, and

MATTHEW R. TIEVA, individually and
as an officer of SELLERS PLAYBOOK,
INC. and EXPOSURE MARKETING
COMPANY,

Defendants.

CASE NO. 18-cv-02207 DWF/TM

FILED UNDER SEAL

**PLAINTIFFS FEDERAL
TRADE COMMISSION'S
AND STATE OF
MINNESOTA'S EXHIBITS**

VOLUME IV

Px. 6

FTC-SP-000565 - FTC-SP-000809

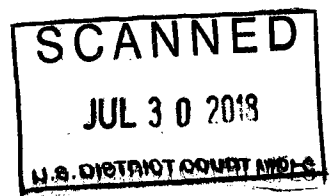


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Px. 6	Transcript of Sellers Playbook Training Workshop Day 2	FTC-SP-000565	FTC-SP-000809

PLAINTIFF'S EXHIBIT 6

1 OFFICIAL TRANSCRIPT PROCEEDING

2 FEDERAL TRADE COMMISSION

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5 MATTER NO. 1823116

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19 ORLANDO SEMINAR - DAY 2

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PLAINTIFF'S
EXHIBIT
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FTC-SP-000566

FEDERAL TRADE COMMISSION

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RECORDING:

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Orlando Seminar - Day 2

4

1 FEDERAL TRADE COMMISSION

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3 In the Matter of:)

4 Sellers Playbook) Matter No. 1823116

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10 The following transcript was produced from a
11 digital file provided to For The Record, Inc. On May 21,
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P R O C E E D I N G S

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DAY 2 - PART 1

UNIDENTIFIED FEMALE: Yeah. So I don't put the guest names on there (inaudible).

MR. TYNDALL: Hi.

UNIDENTIFIED FEMALE: Hey. How are ya?

MR. TYNDALL: Good. How are you doing?

UNIDENTIFIED FEMALE: Can't complain. I only got a couple hours of sleep, but --

MR. TYNDALL: Oh, I'm sorry.

UNIDENTIFIED FEMALE: That's okay. All my fault, actually.

MR. TYNDALL: Yeah.

UNIDENTIFIED FEMALE: I shouldn't have started a Netflix show.

MR. TYNDALL: Oh. What were you watching?

UNIDENTIFIED FEMALE: Thirteen Reasons Why.

MR. TYNDALL: Thirteen Reasons, I don't know that.

UNIDENTIFIED FEMALE: It was a book from my high school age and they made a show out of it. So I just was (inaudible) on it. It has no relation to the book at all.

MR. TYNDALL: Ahh. Cool.

1 MIKE SCHREINER: (Inaudible). If you only do
2 what you think you can, you will never be more than
3 (inaudible). Let me try this again. If you only do
4 what you think you can, you will never be more than you
5 are right now. (Inaudible).

6 Sorry about that. How many of you did the
7 homework last night? Seven levels (inaudible) --

8 MR. TYNDALL: Hi.

9 MIKE SCHREINER: Let's talk about it. Does
10 anybody want to share --

11 MR. TYNDALL: (Inaudible) over.

12 MIKE SCHREINER: Does anybody want to share
13 their seven levels with the class?

14 UNIDENTIFIED MALE: Good morning.

15 MIKE SCHREINER: I'm going to step outside of
16 my comfort zone. My seven levels, deep exercise, let me
17 just read all the questions. So what is important to
18 you about becoming a successful Amazon seller? I don't
19 want to have to check my calendar or bank account to do
20 anything at any time (inaudible). Why is it important
21 for you to not have to check a calendar? It's important
22 because I do not want -- I do not want to run
23 (inaudible) global rat race.

24 Why is it important for you to not run a rat
25 race? It's important because seeing people around me

1 that work until they are old and until they die with
2 little to no time for themselves or family (inaudible)
3 seems like hell.

4 Why is it important for you not to work until
5 you die? Because I believe I am more important than the
6 typical nine to five.

7 Why are you more important than the typical
8 nine to five? I believe that I hold myself -- I believe
9 that I hold myself to a certain degree to what I want to
10 achieve in life.

11 Specifically, why is it important to value
12 yourself? If I do not value or love myself or hold
13 myself to a certain degree, I will have no drive or
14 motivation in life.

15 Why is it important for you to have purpose or
16 motivation? It's important for me to have purpose
17 because it gives me something to work for instead of
18 being complacent.

19 MIKE SCHREINER: Awesome. Give him a round of
20 applause.

21 (Applause.)

22 MIKE SCHREINER: Anybody else?

23 AUDIENCE: I think I did it different. What
24 is important? I'm doing everything that I can to
25 support myself so I can live in Costa Rica. Why is it

1 important for you to change your life? The atmosphere
2 in this country has become so cruel, and I feel so in
3 peace in Costa Rica.

4 Why is it important for you to move? I love
5 everything. I love exploring the world. I'm just so
6 happy in CR, even though I have been traveling to other
7 countries.

8 Why is it important for you to stay
9 independent, it says. Then I will be finally free of
10 the judgment of my (inaudible) family.

11 Why is it important for you to be free? I can
12 write, I can dance, I can motivate. And that would
13 complete the definition that I have for myself.

14 Specifically, why is it important for you to
15 motivate? People look up to me. People actually follow
16 what I do. But I need to continue to self-motivate for
17 myself to grow.

18 And why is it important for you to
19 self-motivate? If I don't have self-motivation, I can
20 be influenced by the negativity in my life.

21 MIKE SCHREINER: Awesome. Give her a round of
22 applause.

23 (Applause.)

24 MIKE SCHREINER: Okay. Anyone else?

25 (No response.)

1 MIKE SCHREINER: All right. Let me ask you
2 this, guys. How many of you started (inaudible)? How
3 many of you started with one thing and ended with
4 something completely different? Okay? And that's what
5 it was for me. I told you guys, when I started this, my
6 wife and I got back involved, the whole point of it was
7 she wanted to quit her job. So our number one thing was
8 make money. Right? I had to get her out of her job,
9 had to make sure that she could do what she needed to
10 do.

11 When we got to level five, it had nothing to
12 do with the money. Right? It was about our time and
13 our freedom. Because I didn't want to be one of those
14 dads that missed all of that stuff. So we need to go
15 into (inaudible). And that's what you're going to find.
16 How many of you started with finances or money and ended
17 with something completely different?

18 Yeah. And that's what I find, is that it's
19 not the reason why we do what we do. Money is just a
20 unit. That's all it is. It's what we do with it. Like
21 I said, we're wealthy -- we use our money to get our
22 time back, period. And that's what I use that for.
23 Because my time is way more valuable. Right? We can
24 always go make more money. But it's our time, once it's
25 gone, it's gone.

1 One thing I do suggest -- I apologize, guys.

2 One thing I do suggest, though, when you do this, you
3 want to go through -- so if your goal is to travel, if
4 your goal is to live somewhere else, you've got to
5 figure out how many product lines do I need to have?
6 How much money do I need to have coming in?

7 If you don't know your numbers, we can't help
8 you. You've got to know what you need to do.
9 Everybody's numbers are going to be completely
10 different. So figure it out and then attach time to it.
11 So if it's I want to travel, great, when? So I want to
12 be able to go in six months or two months. Right? So
13 in six months I've got to have this much money coming
14 in. Does that make sense?

15 AUDIENCE: Yes.

16 MIKE SCHREINER: So you've got to set some
17 times and some dollar amounts to those goals being set
18 now. Now you figure out why you're doing it, everything
19 else will come into play.

20 How many of you watched the Who Moved my
21 Cheese? Awesome. How many was it the first time that
22 you did it? Okay. Let me ask you this: How many Hem
23 and Haws do I have today? Okay. How many Sniff and
24 Scurry's? Okay. How many of you think you're a Hem and
25 a Haw but want to be a Sniff and Scurry?

1 All right. Let me ask you this, then: What's
2 stopping you? Say again? Because that's all it is,
3 right? It's what we think. All right. So let's talk
4 about it. What did you guys get out of it? The video.

5 AUDIENCE: I kept (inaudible) very full. You
6 are very (inaudible) you don't need friends, you don't
7 need associates or nothing (inaudible). My family is a
8 bunch of hens. Very smart, oh, my God, smart hens. So
9 you have to think things through. So they're like, you
10 cannot be, like, spontaneous because you have to have
11 thought behind it.

12 And I was like -- they were, like, appalled,
13 because I'm like a -- I guess a Sniffer. And they're
14 like, Nina, you can't just go there. You just can't do
15 that. You can't just -- what do you mean you feel? You
16 know, that kind of thing. And they were proverbially
17 the hemmer with some hawing, you know. Once you've done
18 the hemming homework. I think that's where my family
19 is, just a bunch of hemming hawer people.

20 MIKE SCHREINER: Okay. Anybody else?

21 AUDIENCE: (Inaudible). (Inaudible) you've
22 got to adapt and (inaudible). That's a saying in the
23 Marine Corps. You adapt and work on. So if you don't
24 know how to succeed, you don't do anything in your life.
25 You have to be fearless. You've got to be determined

1 and you've got be passionate about your dreams, and you
2 must be reliable. You've got to be all these things,
3 and you've got to step outside your comfort zone like he
4 said earlier. If you don't do that, nothing is going to
5 happen. So -- what is it, hen? You just die. You just
6 (inaudible). (Inaudible) started that way. (Inaudible)
7 said, you know what, I've got to get out of here and
8 I've got to find some more cheese. And that's the same
9 thing that you need to do. And that's one thing that I
10 want (inaudible).

11 MIKE SCHREINER: Yeah. I generally don't ask
12 for hens (inaudible).

13 AUDIENCE: Yeah.

14 MIKE SCHREINER: Because hens never make it
15 this far.

16 AUDIENCE: No.

17 MIKE SCHREINER: And it's funny we all have
18 hens in our lives, don't we? And every time you say
19 this is what I want to do, they'll give you a million
20 reasons why it won't work. But they will never give you
21 something that will. Right? And some of us, some of
22 us, it's our spouses, some of it's our family members,
23 right? I remember talking to people and they're like,
24 you know, this might not be the path you want to go
25 down. And I was like, you know what, you're right?

1 This might not be the path. So you tell me what is the
2 path? And they never have anything to say. They never
3 have a reason to do this. But they'll tell you a
4 million reasons why you shouldn't.

5 Anybody else get anything different on there?
6 (Inaudible)?

7 AUDIENCE: Well, I guess I get my hens and
8 haws mixed up. The tall guy that you wanted to venture
9 out, like the last comment that you just made --

10 MIKE SCHREINER: (Inaudible) yeah.

11 AUDIENCE: I mean, we've been -- we've got a
12 small business with everyone expands (inaudible). And
13 we -- you know, she makes things at home and we've got
14 things that generate a lot of money. And we show them
15 to our friends, close friends and family, and 99 percent
16 of the response is it looks nice. That's it. And it's
17 like, we decided amongst ourselves, you know, we need to
18 expand and we need to show Liz what we can offer to
19 someone that doesn't know this. We see that we're -- at
20 times we're surrounding by that negative response or
21 attitude. And we know we have something good because we
22 get hits every now and then from people who like it.
23 But it's like the majority of our close friends and
24 family is, like, what are you doing? You know, but we
25 know we have to make a change.

1 AUDIENCE: I'm the mouse because I come from a
2 family that's always just content with where they are.
3 I'm not content with where I am. And, you know, I want
4 more. Not that I want to be rich, because to me money
5 is just a substance for something that helps you to get
6 to a point you want to get to. So I always fight to get
7 to where I want to get. If I see something that I'm
8 interested in and I don't know anything about it, you
9 can ask them, it can be 2:00, 3:00 in the morning, until
10 I have an idea as to what it is, I'll keep studying it.
11 And I listen to videos. I look at Youtubes and I learn.
12 So I'm the mouse. And that's the thing. He kind of
13 slows me, pulls me back and says, no, we have to just
14 think about it. And I'm like, no, I'm ready, I studied
15 it and it's good and we're gonna go.

16 And so that's -- I think that's why we equal
17 out, because he keeps a picture. You know, he looks at
18 everything where I'm just focused. I'm just -- there's
19 no red lights for me. I'm just straight on.

20 MIKE SCHREINER: That's awesome. And there is
21 -- there's kind of a mix, too, right? And that's what I
22 was saying (inaudible) my wife is the same way. She's
23 the analytical one, I'm ready (inaudible). Success is
24 funny. You know what, successful -- one is not
25 successful for another. In fact, one of the reasons my

1 wife (inaudible) is we were out shopping at Costco one
2 time, and you all know if you have kids, you're not
3 getting out of Costco for less than \$200. Right? So we
4 walked out of Costco and we were loaded, and the car was
5 full.

6 We were loading the groceries in the truck and
7 my wife stopped and she said, oh, crap, I didn't look,
8 how much was it? And I was like, oh, I didn't look,
9 either. I was (inaudible) wrong, right? And she just
10 sat there for a minute and she thought, that's cool. I
11 was like, what do you mean? She goes, I don't even
12 care. That's when she knew we made it. The fact that
13 she didn't have to worry about it. The bill was over
14 \$400. But the fact that she didn't have to worry about
15 how much we spent on groceries, we could get whatever we
16 wanted, whatever the kids wanted. It wasn't, oh, man,
17 we have to put up for tires or we can't do this, you
18 know what I mean? So sometimes it's little stuff like
19 that that she worried about that now we never had to
20 worry about.

21 Anybody else?

22 AUDIENCE: I can -- I can relate to what she
23 was saying earlier because I understand what it is to
24 have products and people doing things that you like.
25 Because I'm real passionate about what I do. I realize

1 that I have to have change. And my son had words with
2 me. And I realized that the bulb -- light bulb went off
3 one day when we were working. He had one of his friends
4 working with us.

5 And we just -- we went through the regular
6 stuff, and he said to his friend, it has to -- what we
7 do, it has to look -- even though we work for my father,
8 when somebody comes to receive the item, it has to --
9 they have to be able to look at the item to try to
10 figure out even though that we're working here with him,
11 which part of the item or which part of the job we work
12 on. Because -- that's when I realized that he knew
13 exactly how important quality was to me.

14 And one -- this happened maybe about a year
15 ago. I was doing something. And this was one of those
16 days where, you know, maybe I'll get within 110 percent,
17 maybe 200, and I tried to get it past him and I
18 couldn't. And I was angry. But then again, I stopped
19 and I thought about it and I said, you know, I wouldn't
20 have it any other way.

21 And that -- that really made me feel good.
22 And -- but I thought for a minute. I said, you know
23 what, this is what I wanted and this is what I got, and
24 I've achieved it and now I need to try to take it to
25 another level. And it feels good to know that you have

1 somebody with you that understands what it is that you
2 want and the quality that you want. And a lot of times
3 it comes right in your family. Otherwise you could be
4 looking for years and years and never find anyone.

5 And that is one of those things that when you
6 find it and you find it within your own home or within
7 your family, it's something that you can appreciate.

8 MIKE SCHREINER: Yeah. You know, it's
9 interesting, when it comes right down to it, a lot of
10 times it takes two to get to where you want to go.
11 Doesn't it? There's got to be somebody there to help
12 you. And even in the video, for some of those, when you
13 watch those videos, there's one that always show the
14 mice in (inaudible) right? And they help each other
15 across to get that win. And that's kind of what I've
16 been saying this whole weekend. Who do you (inaudible)?
17 Who are you going to have on your team to hold you to
18 that standard, to make sure you're doing what you should
19 be doing when you should be doing it. And that's kind
20 of what it comes down to.

21 Anybody else? It's a simple little story,
22 though, isn't it? Right? I mean, you've got two grown
23 men, two grown mice, right, put in a maze. The maze
24 obviously represents our life, right? And each of them
25 are given their stations, right? Our job, our home

1 security, whatever. And you've got this scientist
2 saying, look, you've got your cheese, but we're going to
3 take it. You need to go out (inaudible) and find new
4 cheese. The mice, the (inaudible). Didn't even
5 question it, did they? They put a pair of running shoes
6 on, right, they put another pair around their neck
7 (inaudible).

8 Thank you. So they put a pair of running
9 shoes on, another pair around their neck (inaudible)
10 right, and they (inaudible). But the humans, the
11 superior, right, big brains, they sat back and got very
12 comfortable, very quickly. Right? They're sitting in
13 their station, right, big screen TV, leather couch, pile
14 of cheese. And the one guy, right, the hawk, he started
15 putting his shoes on. And his friend calls him and
16 says, where are you going? He says, look, they keep
17 telling us they're going to take the cheese. I'm going
18 to go find some new cheese. And his friend says, pfft,
19 they keep telling us they're going to take the cheese.
20 Right? But every morning we wake up and it's still
21 here. Sometimes it's even new cheese.

22 And then he said, we are entitled to this
23 cheese. And his friend listened to him and sat back
24 down, didn't he? Guys, it comes back to what I said
25 yesterday. Who are you surrounding yourself with? Who

1 are you letting influence your decisions?

2 Finally, the pain, right, the hunger got bad
3 enough that his friend put his shoes on and left. In
4 fact, he even put the writing on the wall, didn't he?
5 Right?

6 Now, in the video some of us even show that
7 his friend finally left. But has anybody read the book?
8 Okay. So you guys know in the book, we don't even know
9 if the guy ever went. Did he? Guys, it kind of comes
10 back to what I said. You've got to get yourself there
11 first before you can help anybody else. It kind of goes
12 back to the old saying that if we don't (inaudible) we
13 can't make a (inaudible). You can show people that
14 sometimes even when the success is there, they're not
15 going to follow. Some people it just doesn't matter.
16 If they don't have the mind for it, you're never going
17 to get them to that point.

18 Do you guys understand that, yeah? I
19 recommend once a year reading the book or watching that
20 video. I read that book every year, and the reason is
21 -- I think if we're being honest with ourself, we'll see
22 ourselves in all four of those different characters at
23 different points in our life.

24 But I know for me, when I read that book and I
25 see myself in one of the characters in business that I

1 don't like seeing myself in, I know I have to make a
2 change. It's a great way to keep yourself on track to
3 what you should be doing.

4 Look, guys, the reason I spend so much time on
5 this again this morning is I know a lot of y'all went
6 home last night and you hung out with some crabs.
7 Right? You probably heard things like, oh, what are
8 they trying to sell you in that seminar? Or (inaudible)
9 yet, make a million bucks yet? Guys, I sat here, I did
10 it, I get it.

11 Let me ask you this: How many thought some of
12 the things we talked about yesterday were a little
13 outside of the box, yes or no? Yeah? Yeah? Wait until
14 today. Yeah. I made you guys a promise yesterday. I
15 told you I would show you, I didn't get paid for your
16 (inaudible) education, without taking a dollar out of
17 your bank account, not worried about paying it back
18 until you're out there making money. Not paying
19 interest on that money morally, legally, ethically,
20 increasing monthly cash flow and decreasing monthly
21 stress.

22 How many of you here want to see that
23 strategy? Okay. I'm going to show you that one first,
24 and then I'll show you why and how to use it for our
25 businesses. Everyone pull out a clean piece of paper.

1 If you only do what you think you can, you will never be
2 more than you are right now.

3 I really apologize for my voice, guys. I
4 don't know why (inaudible).

5 AUDIENCE: It's okay.

6 MIKE SCHREINER: But I know it sounds
7 horrible.

8 AUDIENCE: Yeah, it sounds painful.

9 MIKE SCHREINER: All right. Draw three boxes
10 like this, and one (inaudible) box put an A, B, C, D, E
11 and F above those three boxes.

12 So these three boxes are going to represent
13 credit cards. This big box underneath is going to
14 represent our business checking account. Now, before
15 you get too far, you can start with a personal checking
16 account. You don't have to do it through your business
17 (inaudible). Look, any CPA worth their weight can
18 backdate things a year. Good ones can do it longer than
19 that.

20 My wife and I, when we first started, we ran
21 everything through our personal accounts. A year and a
22 half later, my CPA came to me and said, look, you guys
23 are going to get killed in taxes. And then she said,
24 you guys (inaudible). She backdated everything 19
25 months, made it all business expenses. So I just tell

1 you that because you can do it through your own
2 accountant. Start and then you can set up the business.
3 Does that make sense? So don't try to put the cart
4 before the horse.

5 Now, there's going to -- you're going to find
6 this well. There's so many factors out there that will
7 not accept credit cards or product. Why?

8 AUDIENCE: Because it can be declined.

9 MIKE SCHREINER: Yeah. That much can be
10 declined. They want money. They don't want the
11 chargebacks. So we have to do it with a wire. So how
12 can I use a wire off of my credit cards?

13 AUDIENCE: You have to go to the bank where
14 you have your checking account. You'll pay an extra fee
15 every month charged differently, and they give
16 you a paper stating that the wire transfer has been made
17 --

18 MIKE SCHREINER: Correct. But how do I get
19 the funding for my credit cards?

20 AUDIENCE: They make you take out the money
21 from the bank.

22 MIKE SCHREINER: No. So here's what you do.
23 How many of you have gotten those credit card checks
24 they're going to attach to your credit cards? Those
25 checks. What are you all doing with them? Shredding

1 them. Guys, those are investors' greatest tools.

2 That's the one check I don't know why in the world

3 anybody would ever use, which is the cash advance

4 checks. Those cash advance checks are the most

5 expensive check. They only give you access to about 40

6 percent of your limit.

7 And there's no reason to use it, right?

8 Because everybody today has got the cubes, right, the

9 reader. You guys know what I'm talking about, right?

10 Even drug dealers have them, right? There's one -- so

11 everybody has got those cubes. So it's no reason to use

12 the cash advance checks.

13 The checks that we want to use are convenience

14 or counter checks. The convenience checks and the

15 counter checks are free to use. So what I can do off of

16 my credit card check, I can deposit the money into a

17 bank account. Then I can go to the bank, get the wire,

18 send it to the manufacturer. It's just like I did it on

19 my credit card. Do you all see what I'm saying?

20 Now, that check, those checks, are what we're

21 going to use to do the strategy I'm going to teach you

22 this morning. Now, when it comes to those checks,

23 though, how many of you have gone and you've shredded

24 them and you stopped getting them? Yeah? Yeah, it's

25 because they're expensive, guys. They're not going to

1 keep sending them out if you don't use them.

2 So here's how you get these checks in again.

3 If you have Wells Fargo, Bank of America, Chase,

4 CitiBank, Capital One, US Bank and --

5 AUDIENCE: Suntrust? Regents.

6 MIKE SCHREINER: It's one of the other big

7 banks. Did I say Chase?

8 AUDIENCE: Yeah. Wells Fargo?

9 MIKE SCHREINER: Wells Fargo, CitiBank.

10 AUDIENCE: BB&T? HSBC?

11 MIKE SCHREINER: HBC, yeah, that one.

12 AUDIENCE: Chase?

13 MIKE SCHREINER: Yeah. Chase is definitely.

14 So any of the big banks, here's what you have to do,
15 guys. You have to go onto your online account -- oh,
16 Discover. That's what it was. Discover card. You go
17 to your online account, there's a little drop down menu
18 on the top, you click that drop down menu and it will
19 say send me those checks. You click on that and they'll
20 send you those checks. In about two to three weeks,
21 you'll get six to nine of them in an envelope. You open
22 them up, you read through them. The cash advance check,
23 you shred, right? Then you use the convenient -- the
24 (inaudible) checks.

25 If you have any other bank, here's what you

1 have to do. Call your credit card company, the bank.

2 Now, you have to speak to a manager or supervisor. The
3 entry-level guy, the dollar-an-hour guy is not going to
4 be able to talk with you about it.

5 This is what you want to say. Write this down
6 because you want to say this verbatim. You're going to
7 say, please send me -- so please send me those cash
8 advance checks, balance transfer checks, those
9 convenience checks, those counter checks. So the cash
10 advance, balance checks, convenience, counter checks,
11 those checks that charge me and any other weird check
12 you may have -- serious as a heart attack -- because not
13 every bank calls them counter and not every bank calls
14 them convenience checks. So you want to get them to
15 send you all of those checks. In about three to four
16 weeks, you'll get six to nine of them in the mail and
17 you'll open them up. Again, read through them, the cash
18 advance you shred, and then you want to use the free
19 checks.

20 Okay. So there's help (inaudible) do this for
21 the strategy I'm going to teach you. Let's say tomorrow
22 you put 34 -- 34,000 on your credit cards for your
23 advanced education. What's going to happen to that
24 \$34,000 charge on your credit card in 30 days?

25 AUDIENCE: It's due.

1 MIKE SCHREINER: It's going to be due, right?
2 So here's what you're going to do, guys. Five days now
3 before credit card pay comes due -- now, I'm going to
4 have another credit card that's got \$34,000 available on
5 it. But I'm going to have two more that if I add
6 everything together gives me \$34,000.

7 So what I'm going to do now is I'm going to
8 use those convenience checks and I'm going to write two
9 checks for \$34,000 and deposit it into my business
10 checking account. Five days before credit card A comes
11 due.

12 Now, five days later, credit card A bill comes
13 in the mail, I'm going to write a check out of that
14 account, pay off that \$34,000. If I pay that off in 30
15 days, how much interest did I pay?

16 AUDIENCE: Zero.

17 MIKE SCHREINER: Zero. And I bought myself
18 what?

19 AUDIENCE: Time, 30 days.

20 MIKE SCHREINER: Another 30 days. Right? So
21 30 days later, though, now these two credit cards are
22 going to be due. Right? So I've got two options now.
23 I can easily just go back to credit card A and do the
24 same thing. I can float it back down, pay it back off.
25 I can do this back and forth as long as I need. But I

1 also understand that I need to build my credit history.

2 I need to build my credit availability.

3 So maybe over the last month I went and I got
4 three more cards. What if I added those three other
5 cards together, maybe that gives me \$34,000. So the
6 same thing now. Five days before credit card B and C
7 come due, I'm going to write a check off of D, E and F
8 and deposit that \$34,000 again into an account five days
9 before B and C comes due.

10 Five days later, that bill comes in the mail,
11 I write a check, pay those two off, payable off for 30
12 days, how much interest did I pay?

13 AUDIENCE: Zero.

14 MIKE SCHREINER: Zero, and bought myself
15 another 30 days. So this is what I mean, guys. I am
16 comfortable floating my debt up to two years as long as
17 the benefits outweigh any of those costs. Do you all
18 see how this works, yes or no?

19 Yes? Any questions on this?

20 (No response.)

21 MIKE SCHREINER: All right. Now, we've got to
22 look at the bigger picture here. What will this do to
23 your credit score?

24 AUDIENCE: It will make it go higher.

25 MIKE SCHREINER: It will skyrocket your score.

1 And here's why, guys. What is the definition of credit?

2 AUDIENCE: (Inaudible).

3 MIKE SCHREINER: Yeah. (Inaudible) credit is
4 borrowing money and paying it back over time. Not
5 immediately. If you have one credit card and you pay it
6 off every single month, you don't have credit -- you
7 don't have any credit history. You've got a charge
8 card. So what's paying it off over time. But remember,
9 guys, it is the full picture of your credit report. So
10 if you have two credit cards and you pay one off every
11 single month and you carry a balance on the other, you
12 build a credit history.

13 So this is what I mean. This is going to
14 skyrocket your credit. What do I show I owe every
15 single month doing this strategy?

16 AUDIENCE: (Inaudible).

17 MIKE SCHREINER: How much do I show I owe
18 every single month?

19 AUDIENCE: Thirty-four thousand.

20 MIKE SCHREINER: Nope.

21 AUDIENCE: Zero.

22 MIKE SCHREINER: Nope.

23 AUDIENCE: (Inaudible).

24 MIKE SCHREINER: Nope. No. Every month I
25 show I owe \$68,000. Because the five days on three

1 credit cards, I owe \$68,000. And I am able to pay half
2 of it off every single month. That is -- they look at
3 your full credit report. So when they see that you owe
4 \$68,000 and you paid half of that off, it's going to
5 skyrocket your report.

6 If you're able to show you can manage \$68,000
7 and pay half of it off, will credit card companies want
8 to give you more credit. Yes or no?

9 AUDIENCE: Yes.

10 MIKE SCHREINER: Yeah, guys. Because you're
11 showing them you can use that credit history. Now,
12 here's even another side of this. This is why we like
13 using small banks. Business is always done in
14 projections. Yes? So if I float \$34,000 on my credit
15 cards for one quarter, what am I now on track to show as
16 a business revenue for the year? So, again, if I hold
17 \$34,000 every month for a quarter, what am I now on
18 track to show as a yearly business revenue?

19 AUDIENCE: (Inaudible).

20 MIKE SCHREINER: Nope.

21 AUDIENCE: Sixty-eight thousand.

22 AUDIENCE: Say that again?

23 MIKE SCHREINER: So I float \$34,000 through my
24 business checking account for just one quarter. What am
25 I now on track to show as a yearly --

1 AUDIENCE: Four hundred and eight thousand
2 (inaudible).

3 MIKE SCHREINER: Four hundred and eight
4 thousand dollars. Because they're going to calculate --
5 you're going to do it every month for that year. That
6 is the thing. Does anybody in here know how bank
7 managers get paid? They get paid off of deposits.

8 So here you are coming in out of the blue
9 showing a yearly business revenue of over \$400,000. Do
10 you think you have that bank manager's attention, yes or
11 no?

12 AUDIENCE: Yes.

13 MIKE SCHREINER: They will treat you like a
14 freaking rock star because you're making that branch
15 manager look like a king or a queen. In fact, one of my
16 friends did this. He went into a bank and he says, hey,
17 I'd like to set up an account. And the lady says,
18 great, there's our account manager, just go ahead and
19 sit down with him.

20 So he sat down with his account manager and he
21 says, great, what do I get if I deposit 125? And the
22 guy said, well, look, if you actually put in \$200, we
23 can get you this, this and this. He said, oh, no, no,
24 no, no. I meant \$125,000. Well, the next thing you
25 know a guy comes into the office in a much nicer suit,

1 right, escorts him into a much bigger office. Hey,
2 would you like a cappuccino? Because they know you're
3 going to start bringing money to the bank. They're
4 going to treat you like a king or a queen.

5 One of the things my wife and I use a lot, we
6 use this, guys, for everything. Branch manager's name
7 is Jack Johnson, just like the singer. (Inaudible) this
8 morning. But we started doing all our business through
9 his accounts. Next thing you know, he was getting
10 promotions. He is now the area general manager of all
11 the branches in Utah, Idaho and Montana. He attributes
12 it all to us.

13 Now, this is why I want you to deal with small
14 community banks as well. I can call Jack anytime and
15 say, hey, look, I need \$70,000. When I show it to the
16 bank, the check is already cut for me. I don't have to
17 prove anything because my history is already there with
18 them.

19 So, guys, when you start doing a strategy,
20 you've got to look at the bigger picture of what it's
21 going to do for you. Plus, I never have to use my own
22 cash. Any questions on this (inaudible)? This is at
23 least as clear as mud.

24 Now, here's the thing, guys. This strategy,
25 we will use the same strategy for our product. Because

1 you start doing some purchase orders for \$40,000,
2 \$50,000, your product should be turning within 30 to 45
3 days. So if we're turning out five in 30 to 45 days, we
4 have to focus for two months so we get our money back
5 and show a profit. But if I do that on my credit cards,
6 how much of my own cash do I ever have tied up in this
7 deal? Nothing.

8 Do you see why we take all the risk out of
9 investing on Amazon or any business? Yes or no? Some
10 of you guys are going to still (inaudible) saying I
11 can't use credit. You're only hurting yourself. You
12 really are. Because the credit is what allows us to
13 never use our cash. It's just so much more risky to tie
14 your cash into these deals.

15 Now, if you only have cash, you have to start
16 with what you start. But we all know until you start
17 building credit history, people can even get car loans.
18 Yes (inaudible)?

19 AUDIENCE: (Inaudible) what I think is that
20 (inaudible) get \$34,000 for the first credit card,
21 deposit it in my checking account. (Inaudible) I have
22 my (inaudible) for \$34,000 again from another credit
23 card. I put that in, make one check or write off to
24 credit card A so it clears --

25 MIKE SCHREINER: Yep.

1 AUDIENCE: The next month, five days before, I
2 go to D-E-F with \$34,000, deposit it, we write another
3 check for \$34,000, and get back B and C.

4 MIKE SCHREINER: Correct.

5 AUDIENCE: Okay.

6 MIKE SCHREINER: Yep. And this is what I was
7 saying, guys.

8 AUDIENCE: And you should get the money before
9 you start depositing because (inaudible) they know.
10 Right?

11 MIKE SCHREINER: Well, yeah. You've got to
12 have the (inaudible).

13 AUDIENCE: So --

14 MIKE SCHREINER: You've got to have the
15 release.

16 AUDIENCE: So you have to get all those
17 releases.

18 MIKE SCHREINER: Correct. Great. Here's the
19 other thing with this, too, guys. There are a lot of
20 these checks that do charge to use those checks. They
21 charge anywhere from 1 to 3 percent.

22 Now, the first year when my wife and I did
23 this, we did all the free checks. Today, because we do
24 so much, I pay 1 percent processing fee on all those
25 checks. I want to pay that 1 percent, and here's why.

1 If the banks look at my history over the last 10 years
2 and see that they've never made a dime off of me, will
3 they continue to give me high lines of credit and more
4 credit cards? Yes or no?

5 AUDIENCE: No.

6 MIKE SCHREINER: No. But the fact they're
7 making 1 percent off of me, they will continue to give
8 me what I want because they know they're making money.
9 So here's how I counter that. What's 1 percent of
10 \$34,000? Three hundred and forty dollars, right? So if
11 I'm doing this now today, I would be floating \$34,340,
12 which means my float is in account for that. So even
13 though I pay 1 percent, it's not me paying it. So
14 instead of writing a check for \$34,000, I'm writing
15 checks for \$34,340. Do you see where we're going with
16 this?

17 But, again, because the banks are continuing
18 to make money off of me, they have no problem giving me
19 more credit cards and higher lines of credit. See, for
20 me now it's a game with these credit cards to see what I
21 can get out of them.

22 So when I take all my credit cards and do the
23 strategy I taught you guys yesterday, right, to get my
24 increases, I'll always ask them now and be like, hey,
25 great (inaudible). I'll say, hey, can I get an increase

1 on this card? And after they give me the increase or
2 they don't, or they (inaudible) I'll say, great, what
3 other cards do you have that I don't have? And it's
4 funny because, like, Capital One, I've been trying to
5 get to those guys, they'll laugh, and then they pull up
6 my account and they're like, oh, well, let's see if we
7 can get you this one. Okay? It's a great way because
8 they've already got my history pulled up. Right? Now I
9 don't have to go in and have them pull my credit, do all
10 that stuff, because they've already got my information.
11 So it's easy to start doing it that way as well.

12 Any questions? Yes?

13 AUDIENCE: So how (inaudible) credit cards
14 (inaudible) maxed out or whatever (inaudible).

15 MIKE SCHREINER: Yeah. If you're doing the
16 checks, it's the same as doing a credit card swipe.
17 Yep, yeah. And it's cheap. Guys, this is cheap money.
18 I'm in control of it the whole time. Nobody tells me
19 how I can use my credit card money. Right? They're not
20 saying I can't spend it that way. They don't say that I
21 can't write the checks. I'm in control. And I don't
22 have to -- every time I want to use those now, I don't
23 have to go to the bank and ask for a loan and try to
24 qualify anything like that.

25 Like I told you guys yesterday, I don't draw

1 paychecks from my business. So I can't prove to a bank
2 what I make anyway, nor would I want to. And I don't
3 have to with my credit cards.

4 Now, every time I do this, when I go up and
5 people look at this, they're like, you know what, that's
6 really cool, Mike, but I don't have \$68,000 on all of my
7 cards. So this strategy sucks. I've got one for you.
8 So on another piece of paper, or if you've got room on
9 that one, I'm going to have you do this. So draw one
10 box. Now, this strategy, I'm going to use credit cards
11 again.

12 But this strategy I'm going to teach you right
13 now will work with HELOCs, BLOCs, lines of credit,
14 401Ks, lines of credit, life insurance policies,
15 everything. But I'm going to use credit cards because
16 credit cards will have by far the highest interest rate.

17 So let's say tomorrow you put \$34,000 on your
18 credit cards for your education. Now, this can be
19 spread over one credit card, three credit cards, it can
20 be on five credit cards. The reason that this strategy
21 was developed, when my wife and I did our education, we
22 have five credit cards. I didn't have money sitting in
23 accounts anywhere. I didn't have any lines of credit
24 set up with banks.

25 So my education -- I'll just tell you guys, my

1 education was \$45,000. I actually had to max out all of
2 my credit cards just to pay for my education. And I
3 didn't know the credit card strategy that I taught you
4 guys yesterday. I had to figure this stuff out.

5 So when I called, that Sunday when I was
6 sitting down signing up for my training, I had to call
7 two of my cards because I had to get some of them
8 increased just to pay for my training. Right? So I
9 maxed out all five of my cards.

10 So this is where this came about. So on
11 \$34,000 -- and, again, it doesn't matter how many cards
12 you use. What do you think your minimum monthly payment
13 is going to be? And remember, guys, it's based on 12
14 months APR, but I want to do worst-case scenario. What
15 do you think your minimum payment will be?

16 AUDIENCE: (Inaudible).

17 MIKE SCHREINER: (Inaudible).

18 AUDIENCE: (Inaudible) hundred.

19 MIKE SCHREINER: Not even close. Worst-case
20 scenario, and we're talking 30 percent interest, would
21 be under \$500 a month. But I want to play worst-case
22 scenario. Let's say it's \$500 a month for all those
23 cards, okay? There's hidden fees added in.

24 So \$500 now, this is your minimum monthly
25 payments. That's all that is. Now, what I found is a

1 lot of people -- worst-case scenario we've seen with our
2 students -- it's taking them six months to get their
3 investment back.

4 Now, it's different for everybody. I did my
5 interest over two months. My mentor did it in three
6 months. It's different for everybody. But we want to
7 play worst-case scenario. So let's buy six months. So
8 \$500 a month times six months is how much? Thirty-five
9 hundred dollars. And all that is, again, guys, is our
10 minimum monthly payments for six months. Are you all
11 with me? Yes?

12 AUDIENCE: How did you get 35? Right. Six
13 times five is 30.

14 MIKE SCHREINER: Oh, I'm sorry. It's not 35,
15 is it? Three thousand. Sorry, math was hard. I was
16 looking at the five. Okay. So \$3,000 is now going to
17 cover all six months of my payments. Right? So let's
18 say I have another credit card, or let's say I go out
19 and I get a new credit card. Let's say the new credit
20 card -- let's say all they give me on a new credit card
21 is \$5,000. So I'm going to take that \$5,000 again and
22 I'm going to deposit that into my checking account.
23 Business or personal, it doesn't matter.

24 Now, let me ask you this: How many of you in
25 here by a show of hands have ever used the bank's

1 autopay program. Right? The autodraft program? Guys,
2 that's the thing. How often do you all pay your bills
3 right now? Once or twice a month, yes? It's the same
4 with us. Even though we float many cards, we float. In
5 fact, I laugh. My wife, she runs this whole thing off
6 of a spreadsheet, Excel spreadsheet on her laptop.

7 So every time I go home, I open up her
8 computer and there's all those alarms going off, but
9 it's to remind her to log onto the bank's website just
10 to follow up, to make sure those funds got moved.
11 Right? Because we just keep auto-paying. So that's
12 what we're going to do here. We're going to set this up
13 now to automatically pay these \$500 a month payments, do
14 all of our credit cards every single month.

15 Now, the reason we move all \$5,000, because
16 really all we need is \$3,000, is, number one, I want you
17 to have a little extra cushion in your account for an
18 oops factor. But, number two, guys, we just put \$5,000
19 on that new credit card. So you're going to have at
20 least a \$50 a month payment due back to that credit
21 card. So we set up that autodraft, that autopay. We
22 want to make sure that we're taking care of all of our
23 credit cards.

24 Do you see where I'm going with this?

25 AUDIENCE: Uh-uhh. I don't.

1 MIKE SCHREINER: Okay.

2 AUDIENCE: So the credit card, you deposit the
3 \$5,000 in (inaudible).

4 MIKE SCHREINER: Correct.

5 AUDIENCE: You set up automatic payments for
6 the five different credit cards you have.

7 MIKE SCHREINER: Correct.

8 AUDIENCE: How do you pull the --

9 MIKE SCHREINER: So here's what we did, right?
10 We know that we owe \$3,000 for six months of these
11 payments for these cards. Right?

12 AUDIENCE: Uh-huh.

13 MIKE SCHREINER: So we got a new card for
14 \$5,000. We're going to deposit that into our checking
15 account. And we still have to have automatic payments
16 to take care of that \$500 payment to these cards.

17 AUDIENCE: But I thought you said --

18 MIKE SCHREINER: But this one we've been using
19 for \$5,000 (inaudible) it's going to have at least a \$50
20 a month payment due back to that.

21 AUDIENCE: Right.

22 MIKE SCHREINER: So we're going to set it up
23 as well to make that payment for \$50 --

24 AUDIENCE: For the same checking account --

25 MIKE SCHREINER: Correct. Same account, same

1 everything. Just -- we only needed \$3,000, but we
2 deposited all five. So not only does that leave us with
3 a cushion in that account, with that we're going to take
4 care of that payment for at least the six months as
5 well.

6 AUDIENCE: You said (inaudible).

7 MIKE SCHREINER: Correct.

8 AUDIENCE: (Inaudible).

9 MIKE SCHREINER: So in this one, that's right,
10 all we're doing is making the payments. It won't
11 increase. It doesn't change that.

12 AUDIENCE: (Inaudible).

13 MIKE SCHREINER: No. All we're doing is we're
14 making the minimum payments (inaudible) interest.

15 AUDIENCE: (Inaudible).

16 MIKE SCHREINER: Yeah. That's all we're
17 doing. We're not touching the principal at all. So it
18 won't increase but it doesn't decrease. You guys, you
19 all understand, right, if all you ever do on your credit
20 cards is make your minimum payments, you will never pay
21 that card off, ever. You guys understand that, yes?
22 And that's why I was telling you guys, you have to not
23 use your cards for consumer crap.

24 AUDIENCE: But it only covers the (inaudible)
25 interest.

1 MIKE SCHREINER: Correct.

2 AUDIENCE: (Inaudible).

3 MIKE SCHREINER: Say again?

4 AUDIENCE: (Inaudible).

5 MIKE SCHREINER: Who? So, here's the thing,
6 guys. How many of you in here know -- well, how many of
7 you knew before you came into this training, you could
8 increase your limits? Okay? How many of you knew you
9 could decrease your interest? Okay. How many of you
10 know you can change your payment dates?

11 AUDIENCE: I've heard of that (inaudible).

12 MIKE SCHREINER: We change our dates all the
13 time. So what we do, we stagger. So we've got a bunch
14 due on the 10th, a bunch due on the 20th, and a bunch
15 due on the 30th. So we can rotate how we make our
16 payments.

17 So, look, in this scenario, all we're doing is
18 making the minimum payments. We're just floating
19 payments. The cool thing is -- let me go back to this.
20 So we go back to this strategy.

21 AUDIENCE: Wait, that's where we were.

22 MIKE SCHREINER: So let me go back to this one
23 here. A couple really cool things about doing a full
24 float. If you can float the entire balance instead of
25 just the payments. So when we're floating the entire

1 balance, a couple of things happen. Number one, using
2 this strategy, I can actually pay my Discover card with
3 my Discover card. Discover won't let you do a balance
4 transfer that way. Right? I can't say, hey, I want you
5 to use a balance transfer to pay off that other credit
6 card. We can't do that.

7 But this way I can because it's going through
8 my business account. They don't know. Do credit card
9 companies care where they get their money, yes or no?
10 No. Do banks care where they get their money, yes or
11 no?

12 AUDIENCE: No.

13 MIKE SCHREINER: No. All they care is they
14 get their money, right? My little sister about eight
15 years ago went through a really nasty divorce. I think
16 her ex-husband was an absolute waste of space. He left
17 her with four kids. Right? So she tried to figure
18 things out. My wife and I paid her mortgage for her for
19 three months through our business account. The mortgage
20 company didn't care where it was coming from. As long
21 as they got their money, they didn't care. Credit cards
22 companies are the same thing, guys. So we can do it
23 that way.

24 But in this other one, it's the same thing.
25 All I'm doing in this one is I'm making my minimum

1 payments, but it's not me making the payments. Who's
2 making my minimum payments for me?

3 AUDIENCE: The credit cards.

4 MIKE SCHREINER: That's the credit cards.

5 And, again, they don't know that because it's coming out
6 of my personal account or my business account.

7 AUDIENCE: (Inaudible) credit card completely
8 for the 30 days, how would it establish good credit --

9 MIKE SCHREINER: Because, remember, they look
10 at your full credit report.

11 AUDIENCE: So even though they're not really
12 making money on us --

13 MIKE SCHREINER: Correct.

14 AUDIENCE: -- because we're paying it off --

15 MIKE SCHREINER: Yep.

16 AUDIENCE: -- they don't care.

17 MIKE SCHREINER: It's not going to be
18 difficult. Because, again, you've got to remember,
19 they're in the mind set you're going to screw it up like
20 93 percent of Americans do and they're going to make
21 bank off of you.

22 AUDIENCE: On the second credit card or the
23 third, you're maxing them out. Right? Normally that's
24 not recommended, when you max them out and --

25 MIKE SCHREINER: Not for the long-term, you're

1 not. But we're only doing this for six months at the
2 most.

3 AUDIENCE: Oh, okay.

4 MIKE SCHREINER: Yeah. We're not doing this
5 forever. Again, guys, we're not talking about doing
6 this stuff, floating all of it. Like I said, I'm only
7 comfortable doing it up to two years. But the benefit
8 has to outweigh the costs. So while I'm paying 1
9 percent on those, if it doesn't make it worth it, I
10 don't float it that long.

11 But here's the thing, guys. How many of you
12 know zero percent cards can do for 12 to 18 months, yes?

13 AUDIENCE: Yes.

14 MIKE SCHREINER: So if I've got a zero percent
15 card, how long can I float this and not have to worry
16 about those interest payments? See what I'm saying. So
17 there's a lot of strategies within this, guys. But it's
18 just learning how to use their money for us to make
19 money.

20 I mean, I don't know how much cooler it gets.
21 I'm using someone else's money to pay for my stuff. So
22 if I'm going from full balance and I'm floating the
23 payment, it's not me making any of those payments. It's
24 my credit cards doing it all.

25 AUDIENCE: How do you know that the credit

1 card (inaudible) outweighs the cost?

2 MIKE SCHREINER: We'll run the numbers. When
3 we run it out -- okay. So if we know, I have
4 (inaudible) for six months because we just bought
5 \$200,000 worth of inventory, and we know that's going to
6 take us four months to sell it, then we'll figure out
7 this is four months before we recoup our money. And
8 that's what I've got to float. So if that makes sense,
9 yeah --

10 AUDIENCE: (Inaudible) your inventory
11 (inaudible).

12 MIKE SCHREINER: Well, that's what we started
13 using more and more now. Yeah. But -- because I have
14 so many, it's hard for me to get new cards with a zero
15 percent for 18 months. You know, because they're like,
16 well, you've already got that one. Well, great, then
17 just give me the other (inaudible).

18 Any other questions?

19 AUDIENCE: (Inaudible).

20 MIKE SCHREINER: Okay.

21 AUDIENCE: (Inaudible).

22 MIKE SCHREINER: Correct.

23 AUDIENCE: (Inaudible).

24 MIKE SCHREINER: With those checks.

25 AUDIENCE: (Inaudible).

1 MIKE SCHREINER: Yeah. In fact, if you guys
2 apply for new credit cards, you're going to -- before
3 you actually hit the accept button online, there's a
4 little box that says send me those checks. If you do
5 not check that box, they're not going to send you those
6 checks.

7 Now, one thing we've seen the start of this
8 year is I would probably say 98 percent of the credit
9 card companies do not put that box there anymore. The
10 reason is they do it as a promotional thing. So as soon
11 as you accept that card, you call, you'll activate the
12 card. Two, three weeks later, they just send you those
13 checks.

14 Once you start using these checks, you'll get
15 a huge influx of them. Every billing cycle that I get
16 now, every time they send a statement, they send us
17 those checks. Because we use them every month. Makes
18 sense.

19 And, guys, it's a way that I could write
20 checks and I don't have to worry about who swiped.

21 AUDIENCE: (Inaudible) credit cards
22 (inaudible).

23 MIKE SCHREINER: Yeah.

24 AUDIENCE: (Inaudible).

25 MIKE SCHREINER: We use -- we use everything

1 we can. I never want to walk away from money. So we do
2 have a lot of BLOCs. We have a lot of, you know,
3 personal lines, signature line type of stuff. But my
4 credit cards are still hands down some of the cheapest
5 money I can find. And a lot of times I'll do a business
6 line of credit through the banks and then I'll pay it
7 with my credit cards. Because if I use just the bank's
8 money, I get no benefits. So I can use their money and
9 then use the credit cards to pay them back, then get
10 hotel points, sky miles, cash back rewards, all the
11 fringe stuff we want back.

12 AUDIENCE: (Inaudible).

13 MIKE SCHREINER: It is. It's Mike's credit
14 card floating cash. No, there's -- it's just a credit
15 card float, yeah. Any other questions on this?

16 AUDIENCE: The checks, do they have a limit,
17 or is it the same as your credit card limit?

18 MIKE SCHREINER: Yeah. That's (inaudible).
19 This is -- that's the reason we don't like doing a cash
20 advance. Cash advance credit checks will only give you
21 access to about 40 percent of your limit. All the other
22 checks will give you access to 100 percent of your
23 limit. So if your limit is \$70,000, you can write a
24 check for \$70,000.

25 Now, you cannot write a check for \$70,000 and

1 then go try to do a swipe. No. You're supposed to do
2 the check, that's going to give you the swipe.

3 AUDIENCE: So when the benefits of the card is
4 old, let's say eight months or later and they start
5 giving you interest, like higher rate, what do you do
6 with that card?

7 MIKE SCHREINER: That's when you pay it off
8 immediately.

9 AUDIENCE: And you close that, or --

10 MIKE SCHREINER: Don't ever close -- guys,
11 never, ever, ever close a credit card. If you close an
12 account, you're hurting your credit way more than you're
13 helping it. Because you just cut that 30 percent down,
14 right? Plus, you just told every credit card company in
15 the world you will walk away for no reason.

16 So even if some of you have score (phonetic)
17 cards right now, don't close them. Let them go
18 inactive. Because if you close that card, it's going to
19 hurt your credit score way more than it helps it.

20 AUDIENCE: But the minimum charges or the
21 yearly maintenance fee --

22 MIKE SCHREINER: Well, if they're doing the 18
23 months, zero percent, that's on all purchases. So all
24 of a sudden now they're going to start charging you for
25 no reason. Once you pay that card off, now it's just a

1 regular rotation of an interest payment. So it's just
2 like paying a credit card, guys. So they may do 18
3 percent zero -- or 18 months, zero percent, and after
4 the 18 months they go, okay, so now I can charge this
5 15, 18, 20 percent, whatever it is. But when I do this,
6 I don't care about the percentages. See what I'm
7 saying?

8 AUDIENCE: For example, with the credit
9 (inaudible) that you don't like. If they just offer you
10 a different card (inaudible) that card?

11 MIKE SCHREINER: Yes.

12 AUDIENCE: So it's not like they closed --

13 MIKE SCHREINER: That's relevant, too. So we
14 talked about the annual fees, right?

15 AUDIENCE: Yes.

16 MIKE SCHREINER: So if they can't validate the
17 annual fee like they (inaudible) a lot of times they'll
18 be like, great, we'll put (inaudible). We can't -- we
19 can't take off this card. They'll say, okay, what other
20 card do you have that doesn't have that much? I'd say
21 (inaudible) this card that you can use. Great. Now I
22 don't have to qualify. They've already got my history
23 pulled up. They just issue that new card. So it's not
24 closing that card.

25 AUDIENCE: Okay. That's (inaudible).

1 MIKE SCHREINER: Yeah. On all record books,
2 it just shows that it got transferred. It just shows
3 that it got moved to another card. So it's still
4 building to your credit history that way.

5 Anything else?

6 (No response.)

7 MIKE SCHREINER: Good stuff, yes?

8 AUDIENCE: Yes. Yes.

9 MIKE SCHREINER: Good. And I'll tell you
10 what, guys. This is stuff that we use in our business
11 every day. Because I never want to find myself in the
12 position where I find a great product line and now I
13 can't do anything about it.

14 All right. Let's do this, guys. Let's take a
15 15-minute break.

16 MR. TYNDALL: And I'm going to see if I can
17 walk all the way back and get a cup of coffee.

18 UNIDENTIFIED MALE: You want me to get coffee?

19 MR. TYNDALL: No, I need --

20 UNIDENTIFIED MALE: Okay.

21 (Day 2 - Part 2.)

22 MR. TYNDALL: I feel horrible for Mike.

23 UNIDENTIFIED FEMALE: Oh, yeah. Oh, I know.
24 I know, he's been working so hard.

25 MR. TYNDALL: I know. Are you feeling better,

1 Andy?

2 ANDY: I went out and tried to push the
3 building over.

4 MR. TYNDALL: Yeah.

5 ANDY: It just gets tight.

6 MR. TYNDALL: Ahhh.

7 ANDY: But it just (inaudible) up.

8 MR. TYNDALL: Yeah.

9 UNIDENTIFIED MALE: Let me go get a --

10 MR. TYNDALL: I know.

11 UNIDENTIFIED MALE: Interesting stuff.

12 MR. TYNDALL: Yeah.

13 UNIDENTIFIED MALE: Now we know (inaudible).

14 MR. TYNDALL: (Inaudible) about it.

15 Wholesaling.

16 UNIDENTIFIED MALE: Yeah, I want to know
17 (inaudible) extra money.

18 MR. TYNDALL: Yeah.

19 UNIDENTIFIED MALE: (Inaudible) paying back
20 your loan.

21 MR. TYNDALL: Yeah.

22 AUDIENCE: Did you sign in yesterday?

23 MIKE SCHREINER: All right, guys. Go ahead
24 and find your seats.

25 UNIDENTIFIED MALE: I find that my iPad

1 strikes -- when it loads up, it sends me old things --

2 MIKE SCHREINER: So we talked about --

3 UNIDENTIFIED MALE: -- from like three years
4 ago. E-mails. It's like --

5 MIKE SCHREINER: -- (inaudible). Their system
6 is always -- this is what we want to look for again.
7 (Inaudible). We've got to find the cards that are
8 proven, that are simple, that are predictable and
9 duplicatable.

10 So what we're going to talk about today, we're
11 going to talk about wholesaling. That's exactly what
12 we're going to be able to find, those products that are
13 proven, simple, but they've got to be duplicatable and
14 they have to be predictable.

15 What we talked about yesterday with the retail
16 and online arbitrage, it doesn't fit in those last two.
17 You can't project and you can't duplicate. With
18 wholesalers, some of them (inaudible) but a lot of the
19 wholesalers we're going to talk about today, you can.
20 It's duplicatable, it's predictable. We're selling
21 products that we know are already selling.

22 So that's what we're going to go through
23 today. Remember, guys, Amazon's big thing is they have
24 already built the trust. Their whole mantra is trust.
25 People buy from Amazon because they know they're going

1 to get two-day shipping. They know they're guaranteed
2 the product. If there's an issue, Amazon will bend over
3 backwards to take care of it.

4 So here's the thing I'll tell you (inaudible).
5 Your stores. If you breach that trust, Amazon will not
6 stand for it. Remember, they're the ones that did all
7 the marketing for these customers. So you've got to
8 make sure we're taking care of the customers as well.

9 So if you have issues with the products again,
10 take care of the customer first, then have them go back
11 and fix the review or fix whatever. You understand what
12 I'm saying, yes?

13 AUDIENCE: Yes.

14 MIKE SCHREINER: Okay. So that's their
15 mantra, guys. We've just got to fit into their rules.
16 So when it comes to this stuff, this is the start.
17 Again, we want to start with retail arbitrage. But by
18 no means do you want to be doing it six months, a year
19 down the road, if you want to do this as a business.

20 Again, if all you want to do is make a couple
21 extra hundred bucks a month, guys, stay with retail
22 arbitrage. But, again, it's not duplicatable, it's not
23 predictable and you can't build a business around retail
24 and online arbitrages. It's just impossible. There's
25 just no way.

1 So why don't we move into wholesale and
2 retail. We're going to do more of that today. Sunday
3 we'll talk about private labeling. But once we have the
4 funds coming in, then we can always step up and become
5 the vendor.

6 Here's what I mean by that. If you develop a
7 private label line, do you want other people to sell
8 your product? Yes or no?

9 AUDIENCE: Yes. Yes.

10 MIKE SCHREINER: Yeah, absolutely. So once we
11 get a good private label line going, we can have other
12 people sell our products. And other people are going to
13 launch it.

14 Now, the interesting thing about private
15 label, Amazon right now is promoting more private label
16 product lines than they are promoting the original. Why
17 do we think that is?

18 AUDIENCE: Because everybody is private
19 labeling now.

20 MIKE SCHREINER: No. No. So, here's the
21 biggest reason, guys. Remember, a lot of private labels
22 are fixing the manufacturer defects. So they're not
23 (inaudible) how to deal with returns and shipping, which
24 means Amazon will get -- so we'll talk more about them.
25 I didn't list our scene by that. And then, of course,

1 we can become the pig. So when we become the pig,
2 again, every dime you lay down, we get a dollar in
3 return.

4 And really that's what we both want, our cash,
5 because people have already asked me, well, if you're
6 using your credit cards for your business, what do you
7 do with your money? I put it in the bank. I make get a
8 dollar for every dime I lend out, guys. It's just
9 another revenue stream for (inaudible) anything for it.

10 So, again, if I tie my cash up in my
11 businesses, then I can't continue to grow what I want to
12 do. Does that make sense?

13 Okay. So if this is really the process that
14 you want to start with, most of you guys aren't going to
15 be jumping into private label product lines. And the
16 reason is, again, the R&D is expensive. It takes time.
17 It takes money. So as we develop our private label,
18 we're going to be doing wholesale to retail. We're
19 going to do retail arbitrage. We're going to start
20 building our money up so that we can dump it into
21 something that's going to give us a much greater return.

22 So just to remind you, guys, we want to stay
23 on the FBA side, right? We want to have Amazon deal
24 with all the customer service stuff so we don't have to.
25 Guys, when you become a true business owner, right, you

1 (inaudible) not the S owners (phonetic).

2 So -- and, again, because what they do is they
3 cover everything. So they deal with all the customer
4 care. They deal with the shipping. They deal with
5 everything.

6 Now, this next one, I had this up yesterday,
7 but I added a few things at the bottom. So this is what
8 you want to have, guys. This is your goal. Eight to 10
9 core products that you're going to start selling on your
10 store. You're going to add one to two at a time over
11 the four to six months.

12 Now, when we talk about core products, core
13 products are the products that people are buying every
14 day. Not seasonal, not fads -- never fads, okay?
15 They're things that people buy every day.

16 We want a two-year life span, meaning not
17 something that's hitting really hard right now. We want
18 to make sure it's consistently being sold. That's a
19 core product.

20 Now, you can -- you can do fads. But the only
21 way you're going to make money on a fad is you have to
22 get it before it hits. Do you know what I mean? We
23 have sourcing agents right now that are over in Asia
24 looking for the next pet rock or the next fidget
25 spinner. But we want to get it before everybody has

1 already jumped on board. They say, oh, you're going to
2 make money on these.

3 In fact, it's kind of like -- and I hate to
4 use this because I know a lot of people here do these.
5 Multi-level marketing companies. Right? The only way
6 you're going to make real money at a multi-level
7 marketing company is you have to get in on the ground
8 floor. If you jump in down the road, you're never going
9 to make real money on it. It's the same as fads, guys.
10 We've got to get it before it hits. Once it hits,
11 everyone jumps on board, that's always where it starts
12 going down.

13 So we want to avoid those right now and we
14 just want to sell what people are buying right now. But
15 you guys have to monitor yourselves. Because if we
16 start watching ourselves drop off, we knew we are
17 selling, you know, 10,000 units a month and all of a
18 sudden now we're selling 8,000, and then (inaudible)
19 we're only selling 6,000. So we start spooling that
20 product down and we've already found other products to
21 put in place. This is why, guys, you've got source.
22 You've got to continue to work the business. That's
23 why I said every day, do something different with your
24 business core. Fair enough?

25 Okay. All right. So let's talk about -- this

1 is what you're going to want to look like down the road.
2 In a couple of years, guys, about 60 percent of your
3 business will be coming from your private label market.
4 And the reason is that your private label, you're making
5 anywhere from 40 to 60 percent return versus 15 to 30
6 percent, which is what you're doing with your wholesale
7 products.

8 So you don't have to sell as much to make the
9 same amount of money. We always want to go for that
10 higher rate of return. But that's what you're going to
11 do. You'll have core products. You're never going to
12 put all of your eggs in one basket. So you may have a
13 really great private label product now. But in three,
14 four years, it may not be the biggest thing anymore. So
15 we want to have that continual bread and butter coming
16 in. That's why we stick with our core products.

17 So yesterday I taught you guys (inaudible) how
18 to do retail arbitrage, online arbitrage. Today we're
19 going to spend all my time talking about liquidators.
20 We're going to talk about wholesalers. We're going to
21 talk over overstockers.

22 So just to review some of the terms, because I
23 know a lot of you guys are new. FBM, fulfilled by
24 merchant; FBA, fulfilled by Amazon; the buy box, we know
25 what that is now. The ASIN numbers, the BSR reg and the

1 Amazon Prime.

2 Now, this used to be something special,
3 something different with the Amazon Prime. Right? It
4 used to be a service. Now it's not a service that
5 you're signing up for. Amazon Prime is what prime
6 members are, and it's what sellers become. So we always
7 want to be in the prime mode.

8 Why?

9 AUDIENCE: (Inaudible).

10 MIKE SCHREINER: Yeah. We'll win the buy box.
11 Right? If you're not Prime, guys, you cannot win the
12 buy box. So we want to be in the buy box. That's where
13 we're going to make our money.

14 So I added this up yesterday as well, but I
15 added these bottom two points for what we're going to
16 talk about today. So when it comes to wholesale, moving
17 our products, trending maximum 60 days. If it's not
18 going to flip in 60 days, you've got to find new product
19 lines. And then we want our share of the buy box to be
20 40 units or more.

21 Does anybody know how we can calculate our
22 share of the buy box right now?

23 AUDIENCE: (Inaudible).

24 MIKE SCHREINER: Okay. I'll show you how we
25 can do it. So there's formulas to all of this. Here's

1 the greatest thing, guys. You don't have to figure this
2 out. We've already got the system in place. I'm going
3 to teach you, too, guys, how we run our numbers. In
4 fact, does everybody have this stuff written down
5 somewhere?

6 AUDIENCE: Yeah.

7 MIKE SCHREINER: Because this afternoon we're
8 going to do a lot of online stuff. But one of the
9 things that we're going to do is we're going to start
10 graphing out how we start tracking our products, how we
11 figure out what our share of the buy box is, how we
12 figure out what our net profit is going to be. So I'll
13 walk you guys through this step by step. And we're
14 going to do a lot of live searches today because the
15 more you do it, the easier it's going to be for you to
16 do. And I'm going to teach you guys how.

17 I told you guys several times, my time is way
18 more valuable than my money. So I'm going to show you
19 guys how we spend less time doing it. All the
20 uneducated investors are doing it wrong. They do things
21 backwards. The first thing they think they need to do
22 is find a manufacturer. They don't even know if the
23 product is going to sell or not. We want to find
24 products that are selling and we work our numbers
25 backwards to figure out.

1 In fact, how many of you in here by show of
2 hands would love to learn how to run your numbers
3 backwards to find out what your maximum purchase price
4 would be for any product you're going to sell? Yeah.
5 Because I'll tell you what, guys. That alone is worth
6 this weekend training. If you can figure out how to run
7 your numbers backwards, you never pay more for the
8 product than you should.

9 But I can't change my shipping cost. I can't
10 change what they're selling for in the buy box. The
11 only thing I can control in my business is what I pay
12 for the product. And the problem is, when you see these
13 prices, what people don't know what they're doing is
14 because they paid too much. They don't know if they
15 should drop it down because they can't. So we've got to
16 make sure we buy it right.

17 So here's a great example. Brita water
18 filters. You people buy a lot of those, yes or no?

19 AUDIENCE: Yes.

20 MIKE SCHREINER: But (inaudible) right? That
21 is a constant seller. They sell all the time. Now,
22 this one, the buy box is \$14.69. They actually have it
23 set up on the account, right? So you do one account,
24 two account, three, six, eight. They also have monthly
25 subscription. So you can have them send three to you

1 every quarter, three every six months, however you want
2 to set that up.

3 Now, the BSR is number three. Is that good,
4 yes or no?

5 AUDIENCE: Yes. Yes.

6 MIKE SCHREINER: Yeah. It's screaming good.
7 Now, I'm not going to go any further with this one
8 because when I sell, it's number three, I ran the
9 numbers, 110 (inaudible). One hundred and 10. Real
10 competition. Like I said, I'll compete against five
11 people, but there's no reason to compete against 110
12 other people. You're just not going to see the sales.
13 Because that cuts our share of the buy box down to
14 almost nothing. Right? So we're going to sell maybe
15 three a month. We're just not going to make any money.
16 The product sells a ton. But just because the product
17 sells a ton, does that mean we're going to sell a ton.
18 Yes or no?

19 AUDIENCE: No.

20 MIKE SCHREINER: No. So we've got to know
21 what our share of that buy box is going to be. So what
22 we'll do now -- and you don't have to do it right now.
23 We'll do it in a second. Again, I just want to show you
24 right now, you guys are (inaudible) log onto your
25 Sellers Playbook account and log in. We have this

1 screen up there. When you log onto that, you're going
2 to click on this tool right here, which is the BSR
3 calculator.

4 Now, that BSR calculator will now tell us what
5 the BSR rate is selling. So, remember, the only thing
6 they care about now is the main category. Right? So
7 kitchen and dining. That's the only thing we care
8 about. The subcategories, we do not care about. We
9 only care about the main category.

10 So the main category is kitchen and dining.
11 So we'll go to the BSR calculator, we find -- this is
12 where we're going to look, guys. We'll scroll all the
13 way down to find kitchen and dining. We'll put three in
14 kitchen and dining. These are the numbers that come up.
15 It will give us our current daily sales, our average,
16 and then our estimated monthly sales.

17 The only thing we care to look at is the
18 current daily sales. We do not like average. And
19 here's why we don't like average. How do you come up
20 with an average number?

21 AUDIENCE: (Inaudible.) (Inaudible) divided
22 by the amount of --

23 MIKE SCHREINER: Yeah. So we take all the
24 numbers, we add everything together, and then we divide
25 it by how many we put in there. Right? Here's why we

1 don't like average. Let's just say I didn't like that
2 month's sales or this one counted more days or this is
3 (inaudible) average. We do not like average. We look
4 at the daily sales and then we base it off of the month.

5 So depending how the number jumps, you can see
6 these things are selling. Fifty-one thousand of them
7 every single month. But the jump is too big. And I'm
8 just -- I want to take all skepticism off the table,
9 guys. So what we do, playing worst-case scenario, is
10 we're going to take the daily sales, we're going to
11 times it by 30 days, every month. Okay. We don't care
12 if there's 31 days, we don't care if there's 29 days.
13 We take the daily sales and times it by 30. That will
14 give us our monthly sales. Worst-case scenario.

15 You see where I'm going with this, right?
16 Every time I do this, guys, the numbers that we run are
17 always less than what reality is. But I'm just trying
18 to take all the skepticism off the table. So we want to
19 run worst-case scenario.

20 So we'll take the daily sales times 30. That
21 will give us our number. So this one is 51,000 for that
22 (inaudible). But now we've got to find out what our
23 competition is, right? Just because they sell 51,000 a
24 month, does that mean that we will?

25 AUDIENCE: No.

1 MIKE SCHREINER: No. So, again, it's the same
2 thing. Now we're going to go here where it says other
3 seller sold. I'm going to do it off of this one. Now,
4 this is a product that was actually sent to me in my
5 inbox from a company called Wholesale Deals Direct.
6 This is one of our products. This is one of our
7 suppliers. So this is sent through Sellers Playbook.

8 So what Wholesale Deals Direct will do is you
9 sign up for this. Most of you who move forward with
10 Sellers Playbook, you get access to this company. So
11 what Wholesale Deals Direct does now is they send us
12 these e-mails all the time of products that they already
13 have. So the member has already been vetted. They know
14 what your profit is going to be. They give you all the
15 information you need to (inaudible).

16 So all they've got to do is make sure it fits
17 with my business model and then I can order as many as I
18 want from that company. So this was sent to me in my
19 inbox. It's just a wireless router, a range extender,
20 right? The buy box is \$19.31. So when we go into BSR
21 calculator -- I told you, this is the (inaudible). So
22 it tells me it's number 30 in computers and accessories.
23 Is that a good number, yes or no?

24 AUDIENCE: Yes.

25 MIKE SCHREINER: Huge. Now, I know yesterday

1 I told you guys, rule of thumb, if it's less than 100,
2 you definitely don't want it to be in there. Right?

3 AUDIENCE: Right.

4 MIKE SCHREINER: But you always have to
5 verify. That's the rule. But it doesn't mean it's
6 true. You have to look at our competition. So we go to
7 this -- because that's the thing, guys. They're selling
8 210 a day. So that's 9,000. But, again, 210 versus
9 9,000, that's a big jump, isn't it?

10 AUDIENCE: Right.

11 MIKE SCHREINER: So we're not going to go
12 based on those monthly sales. We're going to take the
13 210 times what?

14 AUDIENCE: Thirty. Thirty.

15 MIKE SCHREINER: Times 30. What that gives us
16 now is 6,330-something. Okay? But we've got to see
17 what our competition is. So, again, we click on the
18 other sellers, which is right here, right? So even in
19 this one, can we see what the number says right here?
20 Can everybody read that? Fifty-five. Fifty-five is
21 what it shows.

22 But, remember, we've got click new and we have
23 to click prime. So the buy box was \$19.31. How much
24 true competition do we have?

25 AUDIENCE: (Inaudible).

1 MIKE SCHREINER: One, two. None of these guys
2 are within 2 percent of the buy box. So anybody that
3 doesn't fit new, prime or 2 percent of the buy box, we
4 do not care about. They are not our competition. The
5 only thing we care about is we get good (inaudible).

6 Now, there's two, but we have to do what? We
7 have to add us into the mix. If you don't account for
8 yourself, guys, you're going to get (inaudible). So
9 we're talking about sharing the buy box, right?

10 AUDIENCE: Right.

11 MIKE SCHREINER: So if we took two plus us,
12 means there's three competitors. So even though this is
13 number 30, right, which is a screaming yes on a number,
14 there's only three competitors including us. Right? So
15 three total. So it's still a screaming deal.

16 This is why I love Wholesale Deals Direct,
17 because they're doing something like this that nobody
18 else even knows. So we run our numbers here. We take
19 the daily sales, right, we times it by 30, gives us
20 6,300. We divide that number down by the sellers, by
21 the competition. So there's three of us competing,
22 right? So 6,300 divided by three means that our share
23 of the buy box is 2,100 units.

24 AUDIENCE: So we should purchase 2,100?

25 MIKE SCHREINER: No.

1 AUDIENCE: (Inaudible).

2 MIKE SCHREINER: Twenty-one hundred units is
3 one month worth of sales.

4 AUDIENCE: Right.

5 MIKE SCHREINER: So how much should you buy?

6 AUDIENCE: Oh (inaudible).

7 MIKE SCHREINER: I wouldn't buy a year's
8 worth.

9 AUDIENCE: Oh, okay.

10 MIKE SCHREINER: So what we do, we always buy
11 six months' worth of product. So you want to base it on
12 a six-month product line. So this is another reason why
13 we have to run our numbers. Because if I know that I'm
14 going to move 2,100 units, if all I buy is 2,100 units,
15 that means at the end of the month I'm out of product.
16 So I'm going to have to reorder all the time. If I
17 order six months' worth, I'm not running out of product.
18 Make sense?

19 But this also brings up something interesting,
20 too. If I have to order 2,100 units, let's just say I'm
21 ordering what?

22 AUDIENCE: (Inaudible).

23 MIKE SCHREINER: Twelve thousand units, right?
24 So that means how much am I going to have to come up
25 with out of pocket to buy those units?

1 AUDIENCE: But then I actually don't buy
2 12,000 units because (inaudible). So (inaudible).

3 MIKE SCHREINER: No. This is my share. It's
4 moving 6,300 a month because there's three others
5 sharing the buy box. So my sales every single month
6 would be at least 2,100 units. That's why we do the
7 numbers. Because I know that's what my share of the buy
8 box is going to be.

9 So we're not guessing. You guys see what I'm
10 saying, yes?

11 AUDIENCE: (Inaudible) 12,600 units
12 (inaudible).

13 MIKE SCHREINER: Oh, no. I said (inaudible).
14 I'll get them, correct? So, for me, what I do is
15 Wholesale Deals Direct sends them right to my warehouse
16 (inaudible) warehouse. They do the prep work and then
17 they send it all to Amazon.

18 AUDIENCE: (Inaudible).

19 MIKE SCHREINER: Because it's moving. If your
20 product just sits for six months and you sell maybe one
21 or two of them, Amazon is going to contact you and be,
22 like, look, you have six months' worth of product here,
23 you're selling one a month, you need to get this product
24 out of here or we're going to charge you.

25 AUDIENCE: (Inaudible) buy box (inaudible) buy

1 box (inaudible).

2 MIKE SCHREINER: It can. It doesn't, but it
3 can. Yeah, it usually doesn't, but it can.

4 AUDIENCE: (Inaudible) the buy box
5 (inaudible).

6 MIKE SCHREINER: So, remember, it has to be
7 new, it has to be Prime, and (inaudible) buy box.
8 Right?

9 AUDIENCE: (Inaudible).

10 MIKE SCHREINER: So these -- the buy box
11 (inaudible) pay more. So there's only two other sellers
12 plus us. So we add us into the mix. We have to add
13 ourselves in there. So there's three of us competing
14 for that buy box.

15 AUDIENCE: Right. At the same price?

16 MIKE SCHREINER: Same price.

17 AUDIENCE: (Inaudible).

18 MIKE SCHREINER: Why?

19 AUDIENCE: (Inaudible).

20 MIKE SCHREINER: Doesn't matter what I sold.
21 Just because I'm 2 percent lower, I'm not going to win
22 the buy box any more than they would. I'm still only
23 going to sell 2,100 units. So why am I going to sell it
24 less? It's only going to affect me. It doesn't mean
25 I'm selling more because it's 2 percent of the buy box.

1 Just because I'm cheaper doesn't mean I win the buy box
2 more. That's what I'm saying. Amazon will not let this
3 turn into a bidding war. So it's 2 percent. So to me
4 it doesn't make sense to go 2 percent cheaper because
5 I'm still only selling 2,100 units.

6 AUDIENCE: (Inaudible).

7 MIKE SCHREINER: Correct.

8 AUDIENCE: (Inaudible).

9 MIKE SCHREINER: Correct.

10 AUDIENCE: (Inaudible).

11 MIKE SCHREINER: So it depends on the
12 counterbid. Most of them have an MOQ, right? But the
13 MOQ is not going to be more than that. Do you guys know
14 what MOQ is?

15 AUDIENCE: (Inaudible).

16 MIKE SCHREINER: Minimum order quantity.
17 Write it down, guys. You've got to know this stuff.

18 AUDIENCE: So (inaudible) buy box.

19 MIKE SCHREINER: Correct. Every time. Unless
20 you're competing against Amazon. But right now Amazon
21 is not a seller. So they rotate it through because they
22 want everybody to win, because if I'm competing at all
23 of their rules and I never win the buy box, I'm going to
24 stop selling. And Amazon knows that. So as long as I
25 follow their rules, then I get my share. Do you guys

1 have this?

2 AUDIENCE: (Inaudible).

3 MIKE SCHREINER: Well, you'll know this isn't
4 a fad. I mean (inaudible). There's -- we have a
5 tracker called Nessaro's Tracker (phonetic) that you can
6 track it up to see the last six months, the last year,
7 the last three years, to see what the highest was.
8 Yeah, so you've just got to track it.

9 AUDIENCE: (Inaudible).

10 MIKE SCHREINER: No. Because, again, it all
11 comes down to the numbers once I'm (inaudible).
12 It all comes down to the numbers. So I've just got to
13 know, that's what I'm saying, is I've got to know how
14 much I can buy.

15 AUDIENCE: (Inaudible) beyond six months
16 (inaudible).

17 MIKE SCHREINER: Correct, yeah. But they
18 occasionally require (inaudible).

19 AUDIENCE: (Inaudible).

20 MIKE SCHREINER: Correct.

21 AUDIENCE: (Inaudible).

22 MIKE SCHREINER: Well, just when we sign up,
23 right, we've got to start new, we've got to do Prime
24 because we're doing FBA (inaudible) the FBA service.

25 AUDIENCE: (Inaudible). So do you require

1 (inaudible).

2 MIKE SCHREINER: Yes.

3 AUDIENCE: You have (inaudible) the first
4 month and you have (inaudible).

5 MIKE SCHREINER: If your product is not
6 moving, because all of your product is not moving, we're
7 still selling. Chances are (inaudible) because you've
8 got to remember, 95 percent of the sellers have
9 (inaudible). So you know what else (inaudible). So
10 I've never seen a (inaudible) like that, ever. And I'll
11 (inaudible). Even if I have to share with another extra
12 seller, it doesn't change really what I'm going to do.
13 I just delay my wholesale. But this is worst-case
14 scenario. This number, remember, is based on 30 days.
15 It's not the average number of sales. So it's always
16 good to be less. And I'll show you where you all can
17 run these numbers (inaudible) obviously.

18 AUDIENCE: I have (inaudible) time. If you're
19 thinking (inaudible) more people jump in, then you can
20 add things like (inaudible) --

21 MIKE SCHREINER: Mm-hmm.

22 AUDIENCE: -- to you.

23 MIKE SCHREINER: Right. But chances are
24 you're doing something (inaudible).

25 AUDIENCE: (Inaudible). Okay. Where would

1 you (inaudible)? There's not a stop in there
2 (inaudible) find your (inaudible).

3 MIKE SCHREINER: Right. And here's the thing.
4 So her question was, if you have to order too much and
5 you don't want to starve to death, here's the thing,
6 guys. If your product is moving, Amazon doesn't mind
7 having a lot of product there. But if you order six
8 months' worth of product and you're only selling one or
9 two a month and it's not six months, right, so they know
10 you've got like eight years' worth of product there,
11 that's when they start charging. But if they know that
12 your product is moving, then they're not going to charge
13 you a storage fee. No. It's only if that product is
14 not moving. They're not a storage warehouse. So you
15 can't ship them three years' worth of product knowing
16 that you're not going to sell for three years.

17 AUDIENCE: What percentage do they charge you
18 once that starts, and let's say --

19 MIKE SCHREINER: I -- I never had that issue
20 so I don't know.

21 AUDIENCE: (Inaudible).

22 MIKE SCHREINER: The buy box is set by Amazon.
23 So all we've got to do is meet that price.

24 AUDIENCE: (Inaudible).

25 MIKE SCHREINER: Yeah. That's all we worry

1 about, is what the buy box is.

2 AUDIENCE: (Inaudible).

3 MIKE SCHREINER: Correct. Two percent of the
4 buy box. Our margin is going to be 15/20 percent.
5 Correct.

6 AUDIENCE: (Inaudible). (Inaudible) seasonal
7 products (inaudible).

8 MIKE SCHREINER: Yeah. And it's just based on
9 people's buying patterns.

10 AUDIENCE: But (inaudible).

11 MIKE SCHREINER: Correct, yeah. You'll see it
12 go from 30 to 31 to 29, 32. But it never is going to go
13 from 30 to 80 or -- yeah. So that's, again, why we want
14 to stay with core products, guys. So we know that our
15 share of the buy box is 2,100 units. But, again, that
16 still doesn't tell us what we're going to make.

17 So I'll show you guys how we run our numbers
18 all the way out. We can play the what-if game all day
19 today on these, guys. But what if -- actually, what if
20 the other sellers drop off? What if I triple my sales?
21 What if I make 60 percent instead of 30 percent? I
22 mean, I can do the what-if game with you as well. It
23 depends on how you're looking at it.

24 So let me show you how we run our numbers.
25 Because, again, we do this worst-case scenario. When I

1 run the full numbers right on this, you'll see we're
2 actually making a lot more than what you think we're
3 going to make on this deal.

4 So here's another one, guys. So you've got
5 these cake pans, okay. These cake pans are selling, the
6 buy box is \$26.27. So if we see that both new and
7 Prime, \$26.27, how much real competition is there?

8 AUDIENCE: (Inaudible).

9 MIKE SCHREINER: Just one plus us, right?
10 Because these guys aren't within 2 percent of the buy
11 box. Again, 95 percent of people selling online, guys,
12 have no idea what they're doing. So they don't know
13 that they're supposed to be within 2 percent of the buy
14 box. They don't know that they have to have that to get
15 the buy box. All they know is that they think, hey, I'm
16 selling it for more, I'll get a better deal. But it
17 doesn't work that way. Amazon sets the buy box. So we
18 have to compete with the buy box. We don't care about
19 -- we don't care what anyone else is selling it for.

20 So if we've got one other competitor, right,
21 so there's only one other competitor. So we run the
22 numbers on this now. The BSR is 10,610. So if you pull
23 that up in the BSR calculator -- does anybody have that
24 pulled up right now? In fact, do that, go ahead and
25 pull up your BSR calculator, guys.

1 So I'll put the wi-fi code in the Sellers
2 Playbook account, type it up there. So log into your
3 Sellers Playbook account. You (inaudible).

4 AUDIENCE: (Inaudible).

5 MIKE SCHREINER: All right. You've got it up
6 there. Okay. So it's (inaudible). Perfect. Yep.
7 Perfect.

8 Yeah. If you've already got your account,
9 just log in (inaudible).

10 AUDIENCE: Can you write down (inaudible).

11 AUDIENCE: Sure.

12 MIKE SCHREINER: Can you guys walk around and
13 see if he's (inaudible).

14 AUDIENCE: I tried (inaudible) this account
15 yesterday. It told me I had to wait two days.

16 MIKE SCHREINER: Put this code in right here.
17 You've got to be on the basic side. This is (inaudible)
18 basic. Okay? So just do it on the basic side and show
19 (inaudible) this account.

20 AUDIENCE: No, no, no. We set up an account
21 with Amazon.

22 MIKE SCHREINER: Oh, for your Sellers? Yeah,
23 this is not -- this is Sellers Playbook.

24 AUDIENCE: Oh, okay.

25 MIKE SCHREINER: Yeah. Go to the Sellers

1 Playbook account.

2 AUDIENCE: (Inaudible). Yeah, that little
3 number (inaudible).

4 MIKE SCHREINER: It should be (inaudible).

5 AUDIENCE: (Inaudible).

6 MIKE SCHREINER: No. Just type (inaudible).

7 AUDIENCE: (Inaudible). That 1016
8 (inaudible). (Inaudible).

9 MIKE SCHREINER: Yeah, because (inaudible).
10 So (inaudible).

11 AUDIENCE: They're doing theirs (inaudible).

12 MIKE SCHREINER: All right. (Inaudible).
13 82428. 82428.

14 AUDIENCE: Oh. I (inaudible). (Inaudible).
15 (Inaudible audience participation.)

16 MIKE SCHREINER: (Inaudible) 2627. So the
17 number actually changed for me, average sales
18 (inaudible) screen shot of (inaudible). So if we're
19 selling four a day, this is what it comes up at. Right?
20 So four times 30 is what? How much?

21 AUDIENCE: One hundred and 20.

22 MIKE SCHREINER: One-twenty. Divided by how
23 many people? Two.

24 AUDIENCE: (Inaudible).

25 MIKE SCHREINER: Because there's one other

1 seller, plus us, means there's two.

2 AUDIENCE: (Inaudible) buy box --

3 MIKE SCHREINER: Divide by two, yes.

4 AUDIENCE: (Inaudible).

5 MIKE SCHREINER: Just (inaudible).

6 AUDIENCE: (Inaudible).

7 MIKE SCHREINER: No, it's four. Go with four.

8 AUDIENCE: (Inaudible).

9 MIKE SCHREINER: So we don't care about
10 the average. Again, we take four, we take four times 30
11 -- four times 30, and there's two sellers. So when you
12 take four times 30, you get what? One hundred and 20,
13 right?

14 AUDIENCE: Yeah.

15 MIKE SCHREINER: And you divide that by two,
16 which means our sales are going to be how much? Huh?
17 Sixty.

18 AUDIENCE: Sixty.

19 MIKE SCHREINER: So we're selling 60 units a
20 month.

21 (Inaudible audience participation.)

22 MIKE SCHREINER: Amazon rotates (inaudible).
23 And I don't know if it's ever going to sell (inaudible).

24 AUDIENCE: It's interesting how he took this
25 (inaudible).

1 MIKE SCHREINER: Yes (inaudible). So if you
2 take that four times (inaudible).

3 So the last time I did this, guys, I'm going
4 to make this a little bit different. So it came up with
5 10 sales a day. It's the same thing. If you buy
6 (inaudible) our share of the buy box.

7 Okay. Here's another one, guys. Now, here's
8 the thing about barbecue sets. Barbecue items are very,
9 very competitive. The people that (inaudible) barbecue
10 sets are going to be private label sellers.

11 Now, this is a Craftsman one. It's a private
12 label seller. I picked it up because I'm a gear head,
13 right. I love that kind of stuff. So it's really kind
14 of cool, what it is. They're selling for \$35.98 is the
15 buy box.

16 Now, we figure out what our other competition
17 is. So how much competition do we have, plus us?

18 AUDIENCE: Four.

19 MIKE SCHREINER: Four. So here's the BSR
20 rank. Fifty-thousand, four twenty-nine. So put that
21 into your BSR calculator. It's under patio, lawn and
22 garden, and figure out what our share of that buy box is
23 going to be.

24 AUDIENCE: Fifty-five four twenty-nine.

25 MIKE SCHREINER: Fifty-five four twenty-nine.

1 AUDIENCE: So (inaudible) calculator
2 (inaudible).

3 MIKE SCHREINER: Right. So we have the BSR
4 calculator. All we're putting in now is the main
5 category BSR rank, that number, \$55,429.

6 AUDIENCE: (Inaudible).

7 MIKE SCHREINER: No. That will (inaudible).
8 Fifty-five four twenty-nine is (inaudible).

9 AUDIENCE: (Inaudible).

10 MIKE SCHREINER: Yeah. It's (inaudible)
11 55,429.

12 AUDIENCE: (Inaudible).

13 (Inaudible audience participation.)

14 MIKE SCHREINER: So even though we could not
15 (inaudible) 30 days, surrounding 30 sales (inaudible)
16 buy box (inaudible). So right here (inaudible) BSR. So
17 what's it coming up with, guys? What's our daily sales?
18 One. One a day times 30 days is 30, divided by four is
19 what?

20 AUDIENCE: Seven and a half.

21 MIKE SCHREINER: It's not even worth ordering
22 (inaudible). And this is what I mean, guys. So many
23 other educated investors do it the wrong way. Right?
24 They see something like this, they immediately start
25 contacting Craftsman or trying to set up relationships.

1 They think they can pay for it. They don't even know
2 they're only going to sell, what, one a day. Right?

3 So, guys, that's what I'm saying. You do the
4 numbers first like this before you spend any time doing
5 anything else. Okay?

6 So this one had two before, but still it's
7 just a joke. They're never going to make any money on
8 it. So we always do these numbers first. Yes?

9 AUDIENCE: (Inaudible).

10 MIKE SCHREINER: Okay.

11 AUDIENCE: (Inaudible).

12 MIKE SCHREINER: That's why we always
13 (inaudible). Yeah, that's why we have to do these.
14 We'll do some (inaudible). I just want to show you.

15 AUDIENCE: (Inaudible).

16 MIKE SCHREINER: That's why we have to
17 (inaudible) sellers (inaudible). And I'll show you
18 this. (Inaudible) show you guys. You'll see
19 (inaudible) one number off is a whole (inaudible).

20 All right, guys. These are the things you
21 want to stay away from. Write these down, take a
22 picture, whatever you need to do. But you've got to
23 avoid these products.

24 AUDIENCE: (Inaudible).

25 MIKE SCHREINER: They're (inaudible).

1 (Inaudible) sucks anyway.

2 AUDIENCE: (Inaudible).

3 MIKE SCHREINER: All right, guys. So you've
4 got to stay away from hazardous and chemicals,
5 restrictive (inaudible) items, multi-box for one item.
6 Why would you want to avoid multi-boxes for one item?

7 AUDIENCE: (Inaudible).

8 MIKE SCHREINER: Yeah. Things get lost in
9 shipping, right? So they get two, they don't get the
10 third, and what amounts is (inaudible). Moving parts.
11 Why would you want to avoid moving parts?

12 AUDIENCE: They break.

13 MIKE SCHREINER: Yeah, they break in shipping.
14 Right? We talked about that. Fragile, same thing. In
15 fact, the fragile boxes are larger than 144 inches, why
16 would you want to avoid the 144 inches?

17 AUDIENCE: (Inaudible). Too big.

18 MIKE SCHREINER: Not the shipping.

19 AUDIENCE: (Inaudible). Space.

20 MIKE SCHREINER: It's the same thing with the
21 fragile. Look, my buddy in high school worked for
22 FedEx. His job was loading trucks. He got paid how
23 quickly he could load the trucks. Do you think he cared
24 if it said fragile? Do you think he cared if it was
25 long? They just threw everything on top of everything,

1 right, because he had to load it quick. All of that
2 accounts for your products, guys. You send stuff out
3 this long, it's broke. You send stuff out fragile, it's
4 broken. Moving parts, it's broken. That all comes back
5 on you. You have to make it right. Then you can go
6 back to the manufacturer and say, look, this stuff
7 broke. When it breaks in shipping, those manufacturers
8 aren't going to cover more than part of that because
9 they didn't send it, you did. So this is why we avoid
10 this stuff, especially (inaudible).

11 AUDIENCE: Does the 144 inches in size means
12 one either way (inaudible).

13 MIKE SCHREINER: (Inaudible) height
14 (inaudible).

15 AUDIENCE: It doesn't mean -- because you know
16 how --

17 MIKE SCHREINER: It's not overall, no.

18 AUDIENCE: (Inaudible).

19 MIKE SCHREINER: Yeah. Now, the other side of
20 this, weighs over 50 pounds. I told you why. If you
21 send a box to Amazon that's heavier than 50 pounds, they
22 will refuse shipment because it doesn't fit in their
23 system. Their robots are not equipped to carry heavy
24 boxes like that.

25 Now, you can do heavier boxes for some of the

1 products. One of our -- one of our students was doing a
2 cooling fan for big warehouse spaces. The box is huge,
3 and it's heavy. It just has to go through a different
4 center. You can't just send it to Amazon. You have to
5 set it up beforehand. If you send something that heavy
6 in, guys, they'll refuse shipment.

7 And, in fact, always, always, always, always,
8 especially in the beginning, avoid fads. Because, guys,
9 you're just not going to make it if you're not very
10 early. We've got to get in on those at the ground
11 level, otherwise you're never going to make money.

12 And I hate to keep bringing this one up, but
13 fidget spinners. People that got on fidget spinners in
14 the beginning made good money on them because they were
15 selling like hotcakes. They were cheap to make.
16 Problem was, that fad was quick, it burned out. So a
17 lot of you who got stuck with a lot of product. You
18 order something that you can't sell, manufacturers
19 aren't going to take it back because they can't sell it,
20 either.

21 This is why we have to avoid the fad. Make
22 sense? Yes?

23 AUDIENCE: Yes. (Inaudible).

24 MIKE SCHREINER: Length or height, not all
25 around.

1 AUDIENCE: I'm sorry?

2 MIKE SCHREINER: Not all around. I'm not
3 talking area, I'm just talking length. So, in other
4 words (inaudible) avoid those long ones.

5 AUDIENCE: Okay. That's (inaudible).

6 MIKE SCHREINER: Right. Now, here's the
7 thing. So we -- my kids decided last year they want to
8 start doing outdoor movies. We have a big barbecue
9 patio setup in the back yard. We should do some outdoor
10 movies. So we had to order an outdoor screen. That
11 outdoor screen is huge. The box was huge. You can do
12 one, but you have to set it up beforehand with Amazon
13 with special shipping. Because they didn't ship it
14 through the general (inaudible). It had to be special
15 cared because those big, long boxes get smashed and they
16 put some stuff on top of them and it breaks them.
17 That's why we want to avoid the long stuff. You can,
18 but just like the weight -- you can still do them, but
19 it's something you have to set up beforehand.

20 So right now you guys don't want to deal with
21 that kind of stuff because you just don't want to have
22 to worry about that kind of shipping. Make sense?

23 Okay. So, again, the BSR range, number one is
24 always excellent. But, again, really what we want to
25 start looking for is 1,000 and 20,000. Now, if it's in

1 the hundreds, we've just got to look at your numbers,
2 guys. Never assume -- because just like that wireless
3 router, it was number 30, but there was only two other
4 competitors.

5 So who knows (inaudible) working on this sold
6 2,100 units, I'm (inaudible). Just run your numbers
7 every time. You'll then start -- as you do more and
8 more of this, guys, you'll start figuring out when you
9 see the main categories, hey, if it's in kitchen and
10 dining and I'm less than 10,000, there's really not that
11 much competition. But if I'm in toys and I'm less than
12 20,000, there's really not that much competition and I'm
13 still going to make money.

14 So as you start doing this more and more, you
15 start figuring that stuff out, but right now in the
16 beginning --

17 AUDIENCE: You're saying (inaudible).

18 MIKE SCHREINER: Yes.

19 AUDIENCE: And it's 10,000 (inaudible).

20 MIKE SCHREINER: No, no, no, no. This is the
21 BSR ranks.

22 AUDIENCE: Okay.

23 MIKE SCHREINER: This is the number ranking.

24 So if we're at 20,000 (inaudible) we're 1,000 to 20,000
25 is really the (inaudible). And if you have 20,000 and

1 you're not selling, how do you (inaudible) for sale is
2 going to be 1,000, right, and they were selling one a
3 day. Yeah.

4 So this is just the BSR ranking. It's not
5 telling us the (inaudible) we're moving. That's why you
6 have to use the BSR's calculator. That's what tells you
7 what the monthly sales are going to be. The number is
8 just what Amazon uses.

9 So the BSR calculator that you guys use
10 yourself to go look at counts, that's tied into Amazon's
11 analytics. So that's why we always use that calculator
12 because then it will tell us what our daily sales are,
13 we check our daily sales times 30, to know what our
14 monthly sales are going to be. Divide that by how much
15 competition is, which tells us how much we are going to
16 sell every single month.

17 So this is something you're going to do every
18 time. But we've got to take it to that next step as
19 well. So when we do -- this is what you want to look
20 at, guys. So we know what our sales are, right? We
21 know the BSR. We know what our monthly sales are. We
22 know what our share of the buy box is. Now we have to
23 figure out what that means for us (inaudible).

24 Now, this strategy I'm going to teach you
25 right now will not get you down to the dollar. What it

1 will do, though, is get you in the ballpark. So what
2 you're going to do now, we determine what the BSR is, we
3 look at the sales, find out who our competition is.
4 Right? So we take our sales per month by the buy box.
5 So we take our share. So on that one, our share is
6 2,100 units. Right? So we're going to take our share
7 of the buy box times the buy box price, times 15
8 percent. Why are we timesing it now by 15 percent?

9 AUDIENCE: (Inaudible). That's our minimum
10 profit margin.

11 MIKE SCHREINER: That's our minimum profit.
12 So every time we do this, guys, this is the steps. This
13 is the first step in every product line that you look
14 at. So what I've just been going over with you guys,
15 this is what we do with every product. We find out what
16 the BSR is, we find out what our daily sales are, times
17 that by 30. We find out what our competition is, divide
18 that by the day, by the sales, to find out what our
19 share of the buy box is.

20 Once we have our share of the buy box, we take
21 our share, our number, times the buy box price, times 15
22 percent. That will give us our net profit. It does not
23 get us down to the dollar. All it does now is get us
24 within the ballpark. But that will tell you right up
25 front if it's something I even want to pursue any

1 longer.

2 After lunch today, we are going to do a ton of
3 live searches. I'm going to run through these numbers
4 step by step so you guys can start seeing how we run
5 these numbers. But this is the strategy you do first
6 before you do anything else. And I'll show you why
7 after lunch.

8 So let me show you (inaudible). How many of
9 you in here are passionate about ice coolers. Right?
10 But do people buy a lot of these, yes or no?

11 AUDIENCE: Yes.

12 MIKE SCHREINER: So here's one thing we've
13 seen, guys, and it's been probably the last decade
14 easily. Americans are trying to eat healthy. So people
15 aren't just packing sandwiches for lunch, right?
16 They're packing salads, they're packing fruit, they're
17 packing vegetables with dips. They've got to keep those
18 things cool.

19 My kids, my kids (inaudible) my wife will send
20 them a vegetable and dip, she'll put some salads, all
21 that crap. She has the little thermal coolers for my
22 kids' lunch boxes. But what happens to these ice packs?

23 AUDIENCE: (Inaudible).

24 MIKE SCHREINER: They'll (inaudible). But
25 what else happens? What do the little kids do with

1 them?

2 AUDIENCE: (Inaudible).

3 MIKE SCHREINER: They throw them away. My
4 nine-year-old comes home all the time, I'm like, hey,
5 where's the ice pack? Oh, dad, I threw it away again.
6 I'm like, oh, my gosh. Keep it in the cooler.

7 So these ones are selling. The buy box is
8 \$10.61 for a pack of three of them. Now, when we run
9 the numbers on this, the average daily sales were 260 a
10 day. The buy box was \$10.61. So if you take 260 times
11 30 days, gives us \$7,800 sales. There is no
12 competition. Nobody was Prime. Nobody was selling new.
13 So nobody else was winning the buy box. So that means
14 we have 7,800 sales of us, because as long as we get
15 FBA, that means we win. Right? All of the other
16 sellers that were on this one were FBM. Again, people
17 just don't know what they don't know.

18 So if we now win that buy box, that means we
19 take the \$7,800, we times that by the buy box price.
20 The buy box price was \$10.61, gives us a gross sale of
21 \$82,000. But then we have to times it by 15 percent.
22 Why 15 percent again?

23 AUDIENCE: That was (inaudible).

24 MIKE SCHREINER: That's our profit. That's
25 the minimum profit, right? Fifteen percent. So we take

1 that, 82 times 15 percent, that means our net profit
2 every single month is \$12,000 a month. Would \$12,000 a
3 month make a little difference in your life or a big
4 difference?

5 AUDIENCE: (Inaudible).

6 MIKE SCHREINER: What is \$12,000 a month for a
7 year?

8 AUDIENCE: A hundred and forty-four thousand.

9 MIKE SCHREINER: A hundred and forty-four
10 thousand. Some of you in this room work all year long,
11 we don't make \$100,000 a year. This is one product
12 line, guys. Now how many of you are passionate about
13 ice coolers? Right. Say it again. We don't care what
14 we think. We don't care what we buy. We only care what
15 people are buying.

16 AUDIENCE: So how much of these (inaudible)
17 are in what we buy (inaudible).

18 MIKE SCHREINER: Oooh, I'm glad you brought
19 that up. I'm surprised no one asked it yet. So the two
20 things that we're not accounting for on these numbers,
21 though, is price of product and --

22 AUDIENCE: Shipping. Shipping.

23 MIKE SCHREINER: -- shipping. So I'll show
24 you how we account for those numbers, right? Like I
25 said, this is just getting us in the ballpark. But

1 let's say I have to spend half of my profit on shipping
2 and product. I'm still making what?

3 AUDIENCE: Six grand.

4 MIKE SCHREINER: Six thousand a month. I'm
5 okay with six thousand a month.

6 Now, here's the thing, guys. Not every
7 product is going to be a home run deal like this. So
8 let's just say the best I did is \$2,000 a month profit,
9 pure profit. How many product lines would I need? What
10 if I had eight product lines doing the same thing? See
11 what I'm saying? Because eight product lines at \$2,000,
12 I'm there. I'm where I need to be. That's why we don't
13 put all our eggs in one basket. Make sense?

14 AUDIENCE: Yes. (Inaudible).

15 MIKE SCHREINER: Okay. So let me show you
16 this one. You guys do the number on this. These
17 outlets. Do people buy a lot of those, yes or no?

18 AUDIENCE: Yes.

19 MIKE SCHREINER: Oh, my gosh. Anybody that's
20 got kids buys a ton of them, don't they?

21 AUDIENCE: I'm sorry, can you put back for a
22 second that screen?

23 MIKE SCHREINER: That it? Okay. So you guys
24 do the numbers on this. Average sales a day is 200.
25 Buy box is \$2.99. So you guys figure out the sales a

1 month. Now, just for this case, we are splitting the
2 buy box with Amazon. Remember when I said right now
3 you're not going to, but just for the case of this study
4 we're going to. Right?

5 So you guys figure out what your net profit is
6 going to be. If you're having a hard time figuring it
7 out, raise your hands. These guys in the back will come
8 around and help you.

9 (Brief pause.)

10 MIKE SCHREINER: But you don't need to worry
11 about that right now because we already know the
12 (inaudible).

13 (Brief pause.)

14 AUDIENCE: Do you want the (inaudible)?

15 MIKE SCHREINER: Yeah, profit, guys. So
16 everything that we just did, I gave you everything you
17 need on the screen. So what we've just been doing. So
18 what's the first thing you do?

19 AUDIENCE: (Inaudible).

20 MIKE SCHREINER: Right. So we take the 200,
21 times 30, which gives us what?

22 AUDIENCE: Six thousand.

23 MIKE SCHREINER: Six thousand.

24 AUDIENCE: Divided by --

25 MIKE SCHREINER: Divided by --

1 AUDIENCE: -- two.

2 MIKE SCHREINER: -- two. Three thousand --

3 AUDIENCE: (Inaudible).

4 MIKE SCHREINER: Three thousand times 295,

5 times --

6 AUDIENCE: Times 15 percent.

7 MIKE SCHREINER: -- 15 percent.

8 AUDIENCE: One thousand six hundred and 75.

9 MIKE SCHREINER: That's it. So, again, guys,

10 200 sales a day, times 30 days is \$6,000; divided by two

11 of us is \$3,000 units a month. That's our share. So we

12 take the \$3,000 times \$2.99, is \$8,970, times 15

13 percent, means we have a net flow every month of \$1,500.

14 Again, \$1,500 may not change your life, but what if you

15 had eight product lines or 10 product lines doing the

16 same thing? Yeah. This could be a small car payment

17 off of one product line.

18 Great. Do another one?

19 AUDIENCE: Yeah.

20 MIKE SCHREINER: Do people buy a lot of these

21 glow-in-the-dark bracelets, yes or no?

22 AUDIENCE: Yeah.

23 MIKE SCHREINER: Yeah. And they're only good

24 for how many times?

25 AUDIENCE: One.

1 MIKE SCHREINER: One use, and it's usually 24
2 hours. Right? In fact, my kids love these because
3 they'll take them in the back yard and (inaudible) run
4 around. So the average sales a day, 72, buy box \$8.99,
5 no competition on this one because nobody else is Prime.
6 So do the quick math and figure out where we're at.

7 AUDIENCE: A thousand nine hundred and 12
8 dollars.

9 MIKE SCHREINER: Is that a (inaudible)?

10 AUDIENCE: Seventy-two times 30.

11 MIKE SCHREINER: Seventy-two times 30.

12 AUDIENCE: Divided by two.

13 MIKE SCHREINER: Divided by whatever the
14 competition is.

15 AUDIENCE: Oh, okay.

16 MIKE SCHREINER: So we're not (inaudible).

17 AUDIENCE: Okay. So (inaudible) \$8.99.

18 MIKE SCHREINER: Five is \$8.99, times 15
19 percent is --

20 AUDIENCE: (Inaudible).

21 MIKE SCHREINER: So we take 72 times 30 is
22 2,060.

23 AUDIENCE: Two thousand nine hundred and 12.

24 MIKE SCHREINER: So there's no competition.

25 So we take \$2,160 times \$8,999, \$19,418, times 15

1 percent is \$2,912.

2 AUDIENCE: (Inaudible).

3 MIKE SCHREINER: Nope, not the 2 percent is
4 not profit margin. That's what I (inaudible) if I make
5 15 percent of my sales, then that's what my profit is
6 going to be.

7 AUDIENCE: Okay.

8 MIKE SCHREINER: Absolutely. In fact, you
9 guys have got to remember, I am doing this based on
10 worst-case scenarios. So every time I do it this way,
11 when I ask you to do the real numbers, it will show you
12 how to do the real numbers. It's always higher. But
13 this way I know (inaudible). That's our minimum profit.
14 We always base it on the 15 percent. Yeah. Here's the
15 thing, guys. When you start doing other product lines,
16 if you want to make more than 15 percent, then what
17 would you do here?

18 AUDIENCE: (Inaudible).

19 MIKE SCHREINER: Yeah, just do a general
20 (inaudible). In fact, I'm going to teach you guys this
21 afternoon how to run your numbers backwards, and that's
22 it. When you do private label stuff, you'll learn how
23 to run your numbers backwards to make the (inaudible)
24 percent and still make the profit margin.

25 AUDIENCE: (Inaudible).

1 MIKE SCHREINER: Right. But this level, right
2 now at the wholesale, always push this 15 percent.
3 Every time I do it like this, in real life, guys, this
4 is what I do every day. Every time I run the numbers
5 like this, when I actually look at the real numbers
6 minus my cost and everything else, my sales are always
7 more than what this is going to be. Because everything
8 we've done here is worst-case scenario. It's not the
9 best case. And the reason they didn't get it, I've got
10 to take off (inaudible) like, oh, yeah, we wanted this
11 one. So this is worst-case scenario. Got it?

12 Okay. Let's do another one. Do people buy a
13 lot of baby gates? Yes or no?

14 AUDIENCE: Yes.

15 MIKE SCHREINER: Yeah. How many of you have
16 kids? Right? We have kids. We bought two of them, one
17 for the downstairs so the kids didn't fall down the
18 stairs, and one for our office so they didn't go in the
19 office. When we picked up our dog, we bought three
20 more. Right? Because we didn't want him going in the
21 bedrooms and we didn't want him going here.

22 So you guys do this. Average sales, 210, \$32
23 buy box, find out what it is. There's one other
24 competitor on this.

25 AUDIENCE: Two thousand one hundred and 20.

1 MIKE SCHREINER: Learn that, guys. Off a baby
2 gates. So we take the 210 a month, times 30 a month, 30
3 days is \$6,300. Right? Divide that with two. That
4 means our share is \$3,150. Take that times the buy box,
5 times that by 15 percent, \$15,000 in sales. Fifteen
6 thousand a month on baby gates.

7 Now, here's the thing you've got to look at,
8 though. So we're selling how many a month?

9 AUDIENCE: Three thousand.

10 MIKE SCHREINER: Three thousand and 150. So
11 if you're ordering four to six months worth of product,
12 you may have to come out of pocket \$100,000 for that
13 purchase order.

14 But here's the thing. Again, it doesn't
15 matter what it costs. It only matters what? What am I
16 going to make. Right? So if I'm making \$15,000 a
17 month, how quickly can I make my money back?

18 And here's the thing, too. You think people
19 complain about baby gates, yes or no?

20 AUDIENCE: Yes.

21 MIKE SCHREINER: When I look at the customer
22 problem on this one, the customer reviews, people are
23 pissing and moaning about these baby gates all the time
24 saying, oh, my kid can pull it down, or -- there's no
25 baby gate in the world that drills into the walls. All

1 of them get pulled out, right?

2 But do I care? If it's selling this many, I
3 don't care if people are complaining about it. You know
4 what I mean? That's what I'm saying, guys. When you
5 see this crap online, you've got take it all with a
6 grain of salt because these baby gates have been around
7 for eons. People are going to complain, but they're
8 still buying them.

9 AUDIENCE: Question about the (inaudible)
10 number, right? If it makes (inaudible) general
11 (inaudible).

12 MIKE SCHREINER: Well, it's based on -- it's
13 based on that (inaudible).

14 AUDIENCE: So if (inaudible).

15 MIKE SCHREINER: It may not sell.

16 AUDIENCE: After that --

17 MIKE SCHREINER: So -- yeah. So her question
18 was, is the BSR rank based on baby gates? No. It's
19 based off of that ASIN number. This is what I said,
20 guys. The two most important parts on Amazon's first
21 page is the BSR rank and the ASIN number. If you look
22 at a different ASIN number, you're going to get
23 different sales. We'll do some live searches after
24 lunch today. We're going to do this graph for you guys
25 and you'll see. Some of these ASIN numbers, just

1 because you put cup in doesn't mean it's going to sell
2 as these other cups. If you put suitcases in, it's not
3 the same thing. We have to track it by the ASIN.
4 That's where they get these numbers from.

5 So when you start doing private label, I'll
6 show you tomorrow how to do that. You just have to be
7 able to prove your sales. Because if you're creating a
8 whole new ASIN, they're not going to have a track
9 record.

10 So here's the thing, guys. Private label
11 products, generally until you can show sales, until you
12 can show reviews, you will not win the buy box. So
13 that's why we're going to talk more about marketing.
14 We're going to talk about branding tomorrow. When we do
15 this, we don't have to market or brand anything. The
16 products are already selling. All we want to do is get
17 a piece of that pie. I don't need to win it all. I
18 will take a \$15,000 a month.

19 AUDIENCE: (Inaudible).

20 MIKE SCHREINER: Say it again?

21 AUDIENCE: The (inaudible).

22 MIKE SCHREINER: Which one? All the other
23 sellers --

24 AUDIENCE: Average sale (inaudible).

25 MIKE SCHREINER: So look through the numbers.

1 AUDIENCE: There's no (inaudible).
2 MIKE SCHREINER: And scroll here --
3 AUDIENCE: (Inaudible).
4 MIKE SCHREINER: Is that what you're asking?
5 Are you looking for the average sale? So I want you to
6 go all the way down (inaudible). (Inaudible) two
7 thousand. So you're going to go from that (inaudible)
8 into these (inaudible). Correct. Put that on the
9 kitchen and dining and (inaudible).
10 All right, guys. So I want to go back to that
11 wireless router that I showed you earlier that I got
12 from Wholesale Deals Direct. I'm going to show you now
13 how we can calculate our true number.
14 So when you get these deals from Wholesale
15 Deals Direct, you're looking to team up with Sellers
16 Playbook, they actually give you all the information you
17 need on this. Here's what I mean: They'll tell you
18 whether it sold. When we ran our numbers on this
19 router, we were going to make \$6,000 a month. Right?
20 Okay. So, again, worst-case scenario, \$6,000
21 a month. But the two things it doesn't account for is
22 purchasing the product and all of our shipping and fees.
23 Right? So here's how we account for that. Now, like I
24 said, when we get these from Wholesale Deals Direct,
25 they give us the ASIN number. They give us what our

1 shipping is going to cost to Amazon. They give us what
2 our cost is per unit.

3 Now, here's the thing I need you guys to
4 understand about Wholesale Deals Direct. Most
5 manufacturers and wholesalers do not give you the price
6 as shipped to your warehouse. Wholesale Deals Direct
7 does. So that 590 is including the shipping to Sellers
8 Playbook Warehouse. That's the nice thing. Teaming up
9 with our wholesalers, you get that access to it. But
10 they know worst-case scenario it's going to cost me
11 \$1.50 to get it from my warehouse to Amazon. That's the
12 shipping I have to cover.

13 So here's the thing, guys. If you're hooking
14 up with your own manufacturers, your own wholesalers,
15 this is what I was talking about yesterday, who's
16 responsible for what. I make sure that all of my
17 product is shipped to my warehouse for my cost. Then
18 Sellers Playbook now gives me a cost of what it's going
19 to cost to get it to Amazon.

20 But the nice thing with Sellers Playbook --
21 and you cannot do this yourself, guys -- we can actually
22 share shipping containers. Because we all fall under
23 the umbrella of Sellers Playbook. You can't team up
24 with a buddy of yours and ship everything to Amazon. It
25 has to be separate, it has to be separate shipping.

1 It's a whole separate thing. All of ours can fall under
2 the Sellers Playbook umbrella. So we can get our
3 shipping down to Amazon for less than 50 cents a piece
4 versus \$1.50 or \$2 to \$3. But they tell us right up
5 front that it's going to be a \$1.50 a shipment.

6 So here's what we do now. You're going to go
7 back to your Sellers Playbook account. Now, we've been
8 using the BSR calculator. What you're going to want to
9 now click on is right here, it's called an FBA
10 calculator. Everyone pull up your FBA calculator. So
11 the (inaudible) Sellers Playbook account. Underneath
12 tools, instead of clicking under BSR, click on FBA
13 calculator.

14 That calculator now, when it pulls up it's
15 going to look just like this. Well, the first thing
16 you're going to have to do is put the ASIN number in
17 there. If this ASIN number doesn't work anymore, we
18 sold out of it.

19 But when you put the ASIN number in, now it
20 calculates all of your stuff. So just -- I want to show
21 you and then we'll do the (inaudible). Okay? So when
22 you fill this out, guys, we'll put the ASIN number in
23 for the product. Then you're going to put in the price.
24 Now, this will tell you order fulfillment, that's FBM.
25 The other side of this is FBA. That means Amazon

1 fulfilled. We have to put the buy box in each field.
2 It doesn't auto-populate. So we have to put in the buy
3 box, which is \$19.31. Then the only column that we care
4 about is the right side, which is the FBA calculator.

5 So this calculates our Sellers fees. This
6 calculate our fulfillment fees. We put in our shipping,
7 Amazon, which is \$1.50, and then we put in our product
8 cost, which is \$5.90. Once you put those costs in
9 you're going to hit calculate. When you hit calculate,
10 they'll pull up these two boxes. This
11 top box is the only one that we now care about. The top
12 box is where we're going to put in our monthly sales.

13
14 So we know our monthly sales was going to be
15 \$2,100 units. Right? Then you hit calculate again, and
16 now it gives you your total. So we thought running
17 worst-case scenario we were going to make how much a
18 month?

19 AUDIENCE: Six thousand.

20 MIKE SCHREINER: Six thousand. After now, we
21 take out all of our costs, all of our shipping and all
22 of our fees, how much are we making? Can you guys see
23 that number? Fourteen thousand. And that's true
24 numbers because that's after all of our expenses are
25 taken out.

1 So, like I said, the one that I taught you
2 guys that quick math, just gets us in the ballpark but
3 it's worst-case scenario. So after we pay for the
4 product, after we pay for all our fees and shipping,
5 we're making \$14,000, which is now a 35 percent profit
6 margin. Thirty -six, excuse me. Thirty-six percent of
7 profit margin. Fourteen thousand a month.

8 Now, this is the only column we care about,
9 which is our net profit. So if you're going to track to
10 start, do not get caught up looking at the 24,000 for
11 FBM versus 14,000 for FBA. And here's why you can't
12 account for that stuff, guys. We've accounted for all
13 of our fees on the FBA side. On the FBM side, we have
14 not account for any of our shipping fees.

15 So if you're going to do FBM, you're going to
16 click over here and it's going to pull up this box.
17 This is now where we have to account for all your costs
18 that we're not calculating. So your storage fees, the
19 labor, packing materials, shipping to the customer,
20 customer service. If you're going to do this as a
21 business, you've got to account for all that stuff.

22 So how quickly can that eat away at your
23 little profit margin? And you're doing what, guys? If
24 you're doing FBM, you're doing all the work. I know I'm
25 going to make 14 grand and all I have to do is get it to

1 Amazon. Why in the world would I even try to chance it
2 and do all the work myself? Fourteen grand for me, I'm
3 okay with that. Right?

4 Now, again, it's not going to change my life,
5 but for some of you it will. See what I'm saying?

6 AUDIENCE: (Inaudible) how much are we paying
7 (inaudible).

8 MIKE SCHREINER: The product was \$5.90 a
9 piece. That's what we're paying.

10 AUDIENCE: (Inaudible).

11 MIKE SCHREINER: (Inaudible). So, again,
12 guys, just don't get caught up thinking if I do FBM, I'm
13 going to make more money because you won't. You're not
14 accounting for all of your shipping. You still have to
15 buy the boxes to ship it. And if you're doing
16 quantities like this, you're going to be buying a lot of
17 boxes, plus the packing material, plus the tape, plus
18 the travel, plus the storage, plus everything else. You
19 see where I'm going with this, yes?

20 Okay. So here's what now we're going to do
21 this one (inaudible) together. So it's another one.
22 This one actually came from Wholesale Deals Direct as
23 well. Another wireless router. Because here's the
24 thing about these routers. Do they burn out, yes or no?
25 But does everybody like has wi-fi in their homes, yes or

1 no?

2 AUDIENCE: Yes. Yes.

3 MIKE SCHREINER: Everywhere, right. And most
4 of the time, I know for us, our house -- anyway, we have
5 one upstairs and one downstairs because we just put it
6 downstairs, it won't read upstairs in some of the rooms.
7 All right? So we have to have two of them in our house.
8 Otherwise we can't get the signals. It won't -- it's
9 not powerful enough.

10 So this is another one of those (inaudible).
11 The buy box is \$12.99. So here's all the information
12 you need, guys. Put in the ASIN number into your
13 calculators. So the daily sales, you want 35. You
14 don't have to go to the BSR calculator because I've
15 already calculated the daily sales.

16 So go to your FBA calculator. But you still
17 have to figure out what our number is going to be for
18 our daily sales. So what's the first thing we have to
19 do, guys?

20 AUDIENCE: (Inaudible).

21 MIKE SCHREINER: Well, no, because we're going
22 to use the FBA calculator, right? So the first thing
23 we've got to do now is figure out what our daily sales
24 are going to be, or our monthly sales. So we take 135
25 times 30, divide that by --

1 AUDIENCE: Two.

2 MIKE SCHREINER: -- two. So it gives us how
3 many a month?

4 AUDIENCE: (Inaudible).

5 MIKE SCHREINER: Three thousand nine hundred.

6 AUDIENCE: (Inaudible) 15 percent.

7 MIKE SCHREINER: Nope. That's the quick math.
8 I want you guys to do the FBA calculator. So, again,
9 because this came from Wholesale Deals Direct, they gave
10 you all the numbers. So they gave you the ASIN, they
11 gave you the shipped to Amazon, they gave you the cost
12 of the product, the buy box is \$12.99. So the only
13 thing we're going to do now is that quick calculation,
14 find out what our sales a month are going to be. So
15 what's our sales, what's our share of the buy box?

16 AUDIENCE: Two thousand --

17 MIKE SCHREINER: Two thousand twenty-five.
18 Okay. So everyone write down \$2,025. Now you go into
19 the FBA calculator. Pull up that FBA calculator. It's
20 going to ask you for this ASIN number. So I'll read it
21 off to you. It's B00HBYKVA2. So B00HBYKVA2.

22 AUDIENCE: (Inaudible) the buy box.

23 MIKE SCHREINER: So when it comes up again, a
24 calculator --

25 AUDIENCE: (Inaudible).

1 MIKE SCHREINER: No, no, no, no, no.

2 AUDIENCE: Okay. (Inaudible).

3 MIKE SCHREINER: Yeah. So once you have the
4 FBA calculator up now, in the top two fields right
5 there, you've got to put in the buy box price. So right
6 here on these two fields, because let's say they have it
7 priced right. So it's \$12.99. So in the top two boxes,
8 guys, you've got to add in \$12.99. That's the buy box.
9 Yep. So right here put \$12.99 in each of those.

10 AUDIENCE: (Inaudible).

11 MIKE SCHREINER: Yep, right there, \$12.99.

12 Yep.

13 AUDIENCE: (Inaudible).

14 MIKE SCHREINER: Okay. Now, remember, the
15 only side we care about after we put in both of those
16 numbers is the right side. You do not do any more
17 numbers on the left side because we're not doing FBM.

18 AUDIENCE: So are the (inaudible) \$12.99
19 (inaudible).

20 MIKE SCHREINER: That's (inaudible). These
21 are the numbers, guys.

22 AUDIENCE: (Inaudible).

23 MIKE SCHREINER: Okay. So we put the \$12.99
24 in now. The only thing we care about again is the right
25 side, right?

1 AUDIENCE: Yes.

2 MIKE SCHREINER: So ship to Amazon, we put

3 \$1.50. Cost of product, we put \$3.

4 AUDIENCE: How much is Amazon (inaudible)

5 that?

6 MIKE SCHREINER: Huh?

7 AUDIENCE: How much is Amazon (inaudible)?

8 MIKE SCHREINER: That's the buy box price.

9 AUDIENCE: (Inaudible).

10 MIKE SCHREINER: That's \$3.

11 AUDIENCE: (Inaudible).

12 MIKE SCHREINER: And here's (inaudible). So

13 (inaudible).

14 AUDIENCE: (Inaudible).

15 MIKE SCHREINER: So (inaudible).

16 AUDIENCE: (Inaudible). Okay. There you go.

17 So some of you guys are having trouble logging in on the

18 Sellers Playbook platform. Now, there's a handful of

19 you on your computers. Can I get quiet for a second,

20 please?

21 MIKE SCHREINER: Shhh, shhh, shhh.

22 AUDIENCE: Thank you. So on those who are

23 struggling in getting access to it, it's because the

24 internet in the hotel is sending up the firewall and not

25 allowing you access. So we have another website